

Summary

In this issue

IN THIS ISSUE

This issue contains estimates from the 2014 Survey of Employee Earnings and Hours (EEH) which was conducted with respect to the last pay period on or before 16 May 2014.

The EEH survey is conducted every two years and designed to provide detailed statistics on the composition and distribution of employee earnings, hours paid for and the methods used to set employees' pay. Information is collected from a sample of employers about characteristics of both the employers (such as industry and sector) and their employees (such as occupation, type of employee, and method of setting pay). This information is used to provide comprehensive statistics about earnings and hours paid for, for various groups of employees, classified by for example industry, occupation or pay setting method.

A number of changes were introduced in May 2014 to data items collected about employees. These included:

- The item Adult/Junior employee was modified, and further categories included. The new item 'rate of pay' has the following categories: adult rate; junior rate; apprentice or trainee rate; and disability rate;
- The actual age of the employees was collected for the first time in 2014. Prior to this, the information on age was collected only as 'under 18 years', '18 years and under 21 years' and '21 years and over'; and
- Hours paid for data were requested for all employees, including Upper level managers and Owner managers of incorporated enterprises (collectively referred to as Managerial employees). Prior to this, hours paid for data was collected only for non-managerial employees. Despite this change, hours paid for could not be provided for Managerial employees where there was no relationship between earnings and hours. As a result, estimates of hours paid for and hourly cash earnings have only been produced for employees with a link between earnings and hours.

ROUNDING

Estimates of average earnings shown in the tables and data cubes are rounded to the nearest 10 cents and those of average weekly hours paid for are rounded to the first decimal place. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

FEATURE ARTICLE

In addition to the information presented in this e-magazine, a feature article examining people paid an Apprentice or trainee or Disability rate of pay will be added to this issue on 19 February 2015.

INQUIRIES

If the information you require is not available as a standard product or service, then ABS Consultancy Services can help you with customised services to suit your needs. Inquiries should be made to the National Information and Referral Service on 1300 135 070. The ABS Privacy Policy outlines how the ABS will handle any personal information that you provide to us.

All employees

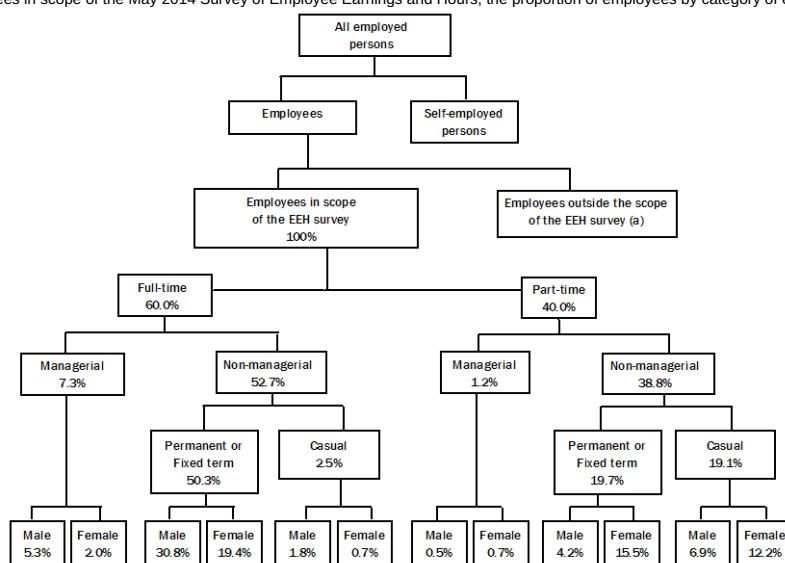
This document was added or updated on 18/01/2017.

ALL EMPLOYEES

Analysis of results for all employees provides an opportunity to compare broad earnings and employee characteristics by classifications of interest such as sex, method of setting pay, occupation, industry and sector, with the influence of compositional factors such as the proportion of part-time or casual employees. For example, an industry with low average weekly total cash earnings may have a high proportion of part-time or casual employees relative to other industries.

Key results by category

The diagram below shows for employees in scope of the May 2014 Survey of Employee Earnings and Hours, the proportion of employees by category of employee.



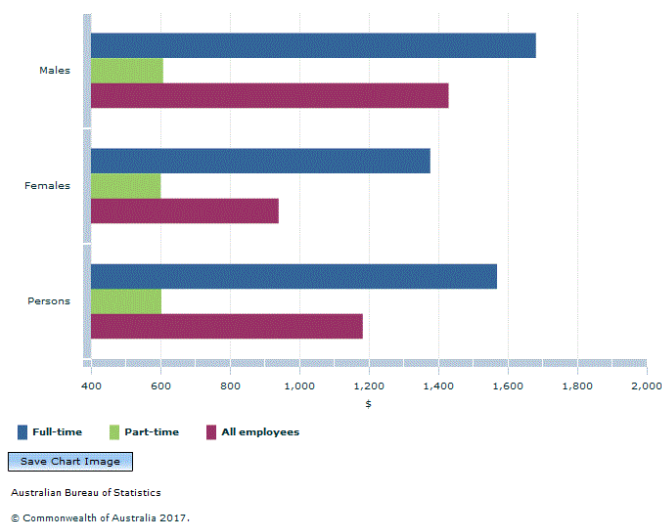
(a) See paragraphs 6 and 7 of the Explanatory Notes.

In May 2014 there were 9,898,900 employees, of whom 49.5% were male and 50.5% were female. Average weekly total cash earnings was \$1,182.40 for all employees, \$1,429.80 for male employees and \$940.20 for female employees. The average age of both male and all female employees was 39.5 years.

Full-time employees made up 60.0% of all employees, had average weekly total cash earnings of \$1,568.80 and had an average age of 40.4 years. Part-time employees accounted for 40.0% of all employees, had average weekly total cash earnings of \$602.80 and had an average age of 38.1 years.

Male employees were predominantly full-time (76.6% of male employees). Full-time males had average weekly total cash earnings of \$1,680.70 and an average age of 40.8 years. Part-time male employees had average weekly total cash earnings of \$608.00 and were, on average, younger than full-time males with an average age of 35.5 years.

Average Weekly Total Cash Earnings, Employment status, May 2014



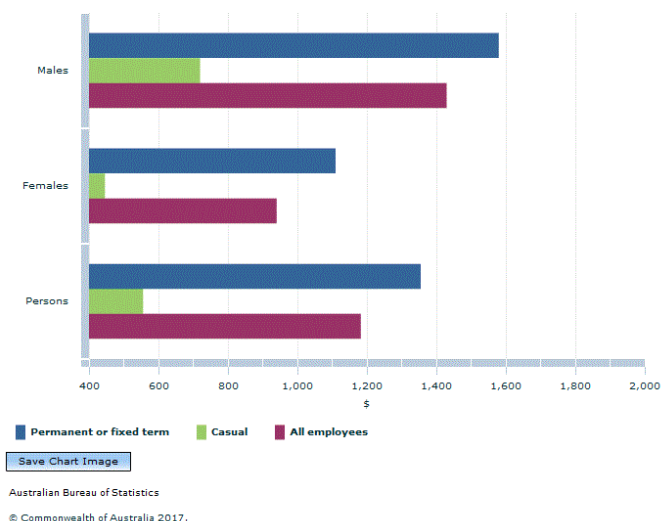
Source(s): Employee Earnings and Hours, Australia, May 2014

More female employees were employed part-time (56.2%) than full-time (43.7%). Average weekly total cash earnings was \$1,376.90 for full-time females and \$600.70 for part-time females. There was less difference between the average age of full-time females (39.8 years) and part-time females (39.2 years) than displayed by their male counterparts.

The majority of employees (78.4%) were employed on a permanent or fixed term basis. These employees had average weekly total cash earnings of \$1,354.60 in May 2014. Average weekly total cash earnings was \$1,579.80 for permanent or fixed term males and \$1,110.00 for permanent or fixed term females.

Casual employees accounted for 21.6% of employees and had average weekly total cash earnings of \$555.70. Male casual employees had average weekly total cash earnings of \$719.80 and represent 17.4% of total male employees. Male casual employees had an average age of 33.6 years, younger than the average age of female casual employees (35.0 years). Female casual employees had average weekly total cash earnings of \$446.10 and represent 25.6% of total female employees.

Average Weekly Total Cash Earnings, Employment type, May 2014



Source(s): Employee Earnings and Hours, Australia, May 2014

Three in five (59.7%) employees were aged 35 years and over. Slightly less than two in five (37.3%) of all employees were aged 45 years and over. Employees aged 24 years and under comprised 16.2% of all employees. Average weekly total cash earnings was highest for employees aged between 35 and 44 years of age (\$1,393.20) and between 45 to 54 years of age (\$1,389.70).

ALL EMPLOYEES, Average weekly total cash earnings and Number of Employees–Age category, May 2014

		AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)	NUMBER OF EMPLOYEES ('000)
Age category			
	17 years and under	152.40	229.2
	18 to 20 years	443.90	529.9
	21 to 24 years	757.10	844.9
	25 to 34 years	1,183.30	2,387.7
	35 to 44 years	1,393.20	2,211.0
	45 to 54 years	1,389.70	2,074.6
	55 to 64 years	1,285.80	1,359.9
	65 years and over	983.90	261.9
	All employees	1,182.40	9,898.9

Occupation

Among major occupation groups, **Managers** had both the highest average weekly total cash earnings (\$2,113.80) and the highest average age (44.2 years). **Sales workers** had the lowest average weekly total cash earnings (\$628.60) and average age (33.3 years). **Managers** comprised 9.2% of all employees and **Sales workers** comprised 13.1% of all employees.

The largest proportion of employees were **Professionals** (20.9%) who received average weekly total cash earnings of \$1,548.20 and had an average age of 40.9 years. The smallest proportion of employees were **Machinery operators and drivers** (6.3%) who received average weekly total cash earnings of \$1,349.40 and had an average age of 43.8 years.

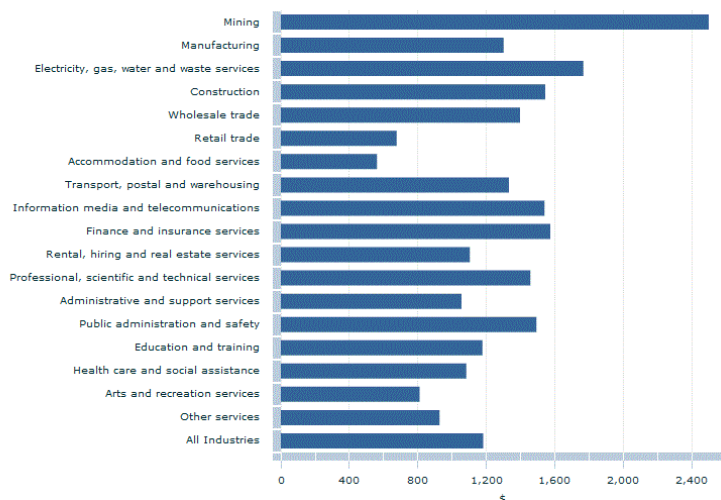
Industry

Average weekly total cash earnings was highest for employees in the **Mining** industry (\$2,499.60), who represented 1.7% of all employees and had an average age of 41.4 years. The lowest

average weekly total cash earnings was for employees in the **Accommodation and food services** industry (\$561.60), who represented 7.5% of employees and had the lowest average age of all industries (30.1 years).

The largest proportion of employees were in the **Health care and social assistance** industry (12.8%), who received average weekly total cash earnings of \$1,083.90 and had an average age of 43.6 years. Employees in the **Public administration and safety** industry had the highest average age (44.7 years), followed closely by those in the **Transport, postal and warehousing** industry (44.2 years).

Average Weekly Total Cash Earnings, Industry, May 2014



Save Chart Image

Australian Bureau of Statistics

© Commonwealth of Australia 2017.

Source(s): Employee Earnings and Hours, Australia, May 2014

States and territories

The average weekly total cash earnings of all employees was highest in the **Australian Capital Territory** (\$1,360.80), the **Northern Territory** (\$1,322.40) and **Western Australia** (\$1,289.80). The average weekly total cash earnings of all employees was lowest in **Tasmania** (\$986.70).

Sector

Average weekly total cash earnings for all employees was higher in the **public sector** (\$1,415.90) than in the **private sector** (\$1,128.20). **Private sector** employees comprised 81.2% of all employees and **public sector** employees comprised 18.8% of all employees. The average age of **public sector** employees was 44.4 years, older than that of their **private sector** counterparts (38.4 years).

Employer Size

Businesses with **under 20 employees** employed almost a quarter (23.3%) of all employees other than **Owner managers of incorporated enterprises**, and 58.0% of employees paid at the apprentice or trainee rate. Average weekly total cash earnings was lowest in businesses with **under 20 employees** (\$873.70) and highest in businesses with **1,000 and over employees** (\$1,323.80) and **100-999 employees** (\$1,317.70). Businesses with **under 20 employees** had the lowest average weekly total cash earnings for employees paid at the adult rate (\$934.80). Employees paid the adult rate in businesses with **100-999 employees** and **1,000 and over employees** received the highest average total cash earnings (\$1,387.10 and \$1,375.60 respectively).

DISTRIBUTION OF EARNINGS FOR ALL EMPLOYEES

Weekly total cash earnings, Employment status

Median weekly total cash earnings was \$1,363.00 for all full-time employees paid at the adult rate of pay, and \$1,341.00 for all full-time employees. The lowest paid 10% of all full-time employees paid at the adult rate of pay received weekly total cash earnings of \$839.00 or less, and the highest paid 10% received \$2,595.00 or more.

The inter quartile range (i.e. the middle 50%) of weekly total cash earnings for all full-time employees was from \$1,000.00 to \$1,862.00.

Median weekly total cash earnings for all part-time employees was \$513.00. One in 10 part-time employees received weekly total cash earnings of \$123.00 or less, and one in 10 part-time employees received \$1,154.00 or more.

ALL EMPLOYEES, Distribution of weekly total cash earnings–Employment status, May 2014

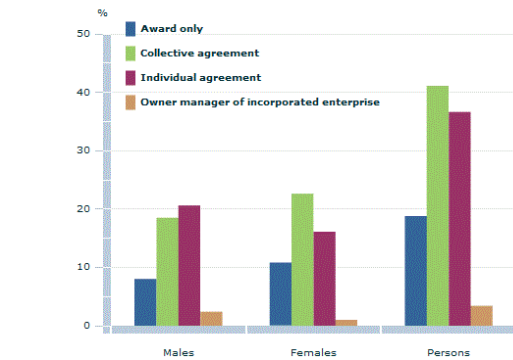
	FULL-TIME EMPLOYEES Employees paid at the adult rate of pay	Total	PART-TIME EMPLOYEES Total	ALL EMPLOYEES Total
	WEEKLY TOTAL CASH EARNINGS (\$) (a)			
Deciles and quartiles				
10th Percentile	839.00	800.00	123.00	267.00
20th Percentile	966.00	944.00	217.00	490.00
25th Percentile (1st quartile)	1,027.00	1,000.00	269.00	604.00
30th Percentile	1,085.00	1,058.00	316.00	701.00
40th Percentile	1,217.00	1,190.00	412.00	865.00
50th Percentile (median) (2nd quartile)	1,363.00	1,341.00	513.00	1,008.00
60th Percentile	1,538.00	1,518.00	621.00	1,183.00
70th Percentile	1,746.00	1,732.00	733.00	1,402.00
75th Percentile (3rd quartile)	1,892.00	1,862.00	800.00	1,538.00
80th Percentile	2,061.00	2,031.00	889.00	1,700.00
90th Percentile	2,595.00	2,568.00	1,154.00	2,202.00
Average weekly total cash earnings	1,600.50	1,568.80	602.80	1,182.40

(a) Percentiles are based on whole dollars only.

Method of setting pay

The most common methods of setting pay across all employees in May 2014 were **Collective agreement** (41.1%) and **Individual arrangement** (36.6%). **Award only** was the least common method (18.8%). The remaining 3.4% of employees were **Owner managers of incorporated enterprises**. For full-time employees, the most common method of setting pay was **Individual arrangement** (44.6%). The most common method of setting pay for part-time employees was **Collective agreement** (45.8%).

Methods of Setting Pay, All employees, May 2014



Save Chart Image

Australian Bureau of Statistics

© Commonwealth of Australia 2017.

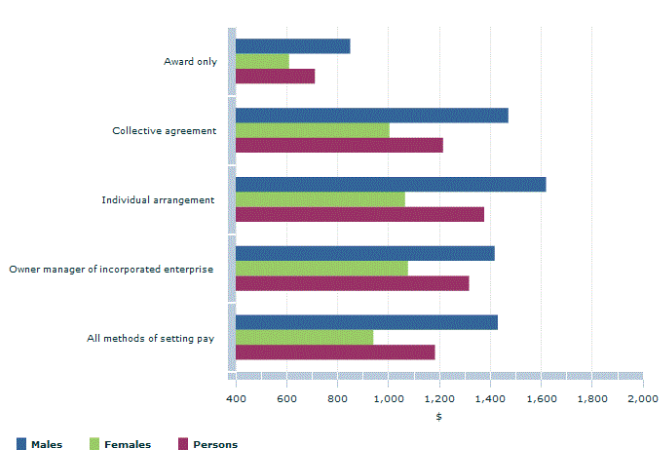
Source(s): Employee Earnings and Hours, Australia, May 2014

For all employees, average weekly total cash earnings was highest for employees paid by **Individual arrangement** (\$1,376.10), followed by **Owner managers of incorporated enterprises** (\$1,316.70), **Collective agreement** (\$1,214.00) and **Award only** (\$711.20). For full-time employees only, those whose pay was set by **Collective agreement** had the highest average weekly total cash earnings (\$1,654.90), followed by **Individual arrangement** (\$1,648.90), **Owner managers of incorporated enterprises** (\$1,455.30) and **Award only** (\$1,072.80).

For all male employees, the most common method of setting pay was **Individual arrangement** (41.6%), and the most common method of setting pay for all female employees was **Collective agreement** (44.8%).

Average weekly total cash earnings for all female employees was \$940.20, around two thirds (65.8%) of the average received by male employees (\$1,429.80). Earnings for females as a proportion of male earnings was highest for **Owner managers of incorporated enterprises** (76.0%) and lowest for employees paid by **Individual arrangement** (65.8%),

Average Weekly Total Cash Earnings, Method of setting pay, May 2014



Save Chart Image

Australian Bureau of Statistics

© Commonwealth of Australia 2017.

Source(s): Employee Earnings and Hours, Australia, May 2014

Collective agreement was the most common method of setting pay for permanent or fixed term employees (42.7%). For casual employees, **Award only** was the most common method of setting pay (38.9%).

Occupation

Around one in two **Professionals** (50.6%) and **Community and personal service workers** (50.1%) were paid by **Collective agreement**. **Collective agreement** was also the most common method of setting pay for **Machinery operators and drivers** (48.5%), **Sales workers** (44.0%) and **Labourers** (43.6%).

Individual arrangement was the most common method of setting pay for **Managers** (58.7%), **Clerical and administrative workers** (49.4%) and **Technicians and trades workers** (43.9%).

Although **Award only** was not the most common method of setting pay for any occupation group, the occupations with the largest proportion of employees paid by **Award only** were **Community and personal service workers** (34.2%), **Labourers** (31.4%) and **Sales workers** (29.7%).

Managers paid by **Individual arrangement** had the highest average weekly total cash earnings (\$2,312.30). **Sales workers** paid by **Award only** had the lowest average weekly total cash earnings (\$470.60).

Industry

The proportion of the **Award only** method of setting pay for employees was highest in **Accommodation and food services** industry (42.8%). The **Collective agreement** method was highest for **Education and training** (84.1%). The **Professional, scientific and technical services** (71.2%) and **Wholesale trade** (71.2%) industries had the highest proportion of employees paid by **Individual arrangement**. **Owner managers of incorporated enterprises** were most prevalent in the **Construction** industry (10.8%).

Employees in the **Mining** industry paid by **Individual arrangement** had the highest average weekly total cash earnings (\$2,537.80). Employees paid by **Collective agreement** in the **Accommodation and food services** industry had the lowest average weekly total cash earnings (\$422.50).

States and territories

Tasmania had the highest proportion of employees whose pay was set by **Award only** (27.3%). The **Australian Capital Territory** had the highest proportion of employees whose pay was set by **Collective agreement** (62.8%), and **Western Australia** had the highest proportion of employees whose pay was set by **Individual arrangement** (44.0%).

Of all methods of setting pay, **Owner managers of incorporated enterprises** in **Western Australia** and the **Northern Territory** received the highest average weekly total cash earnings (\$1,839.10 and \$1,613.60 respectively). Of employees paid by **Collective agreement**, the highest average weekly total cash earnings was received by employees in the **Australian Capital Territory** (\$1,524.90). The **Australian Capital Territory** also had the highest average weekly total cash earnings for employees under **Individual arrangement** (\$1,462.60).

Employees paid by **Award only** in the **Australian Capital Territory** had the lowest average weekly total cash earnings (\$550.40) of all states and territories. Of those employees paid by **Award only**, the highest average weekly total cash earnings was received in the **Northern Territory** (\$868.50).

Sector

The most common method of setting pay in the **private sector** was **Individual arrangement** (44.4%), followed by **Collective agreement** (30.4%). The average weekly total cash earnings for **private sector** employees paid by **Individual arrangement** was \$1,362.70 and by **Collective agreement** was \$1,099.10. Almost nine in 10 (87.2%) employees in the **public sector** were paid by **Collective agreement**. Average weekly total cash earnings for these employees was \$1,386.60.

Employees paid by **Award only** made up 21.0% of employees in the **private sector** and 9.5% of employees in the **public sector**. Employees paid by **Award only** received average weekly total cash earnings of \$635.60 in the **private sector** and \$1,429.10 in the **public sector**.

Employer Size

Of those employees paid by **Individual arrangement**, almost two in five (38.4%) were employed by businesses with **under 20 employees**. A similar proportion (37.9%) of employees paid by **Award only** also worked for businesses with **under 20 employees**. Those employees who had their pay set by **Collective agreement** were mostly employed by businesses with **1,000 and over employees** (55.3%) or **100-999 employees** (31.7%).

With the exception of businesses with **under 20 employees**, employees paid by **Individual arrangement** had higher average weekly total cash earnings than those paid by **Collective agreement** or **Award only**. Employees of businesses with **under 20 employees** paid by **Collective agreement** (\$1,073.60) had higher average weekly total cash earnings than those paid by **Individual arrangement** (\$1,017.30) or **Award only** (\$554.30).

Of employees other than **Owner managers of incorporated enterprises**, those paid by **Individual arrangement** working for employers with **1,000 and over employees** received the highest average weekly total cash earnings (\$2,044.70), and those paid by **Award only** in businesses with **under 20 employees** received the lowest (\$554.30).

Non-managerial employees

NON-MANAGERIAL EMPLOYEES

Analysis of estimates for all non-managerial employees provides an opportunity to compare hours paid for and hourly earnings of permanent or fixed term employees (full-time and part-time) as well as casual employees. This aids comparison by classifications of interest such as occupation, industry and method of setting pay at a consistent unit of quantity (i.e. hours and dollars per hour). It also allows analysis of the composition of weekly earnings. For example, average weekly total cash earnings may be identical for two categories of employees, however employees in one category may be paid for fewer hours per week and receive higher average hourly earnings.

Key results by category

Non-managerial employees received average weekly total cash earnings of \$1,100.40. They were paid for an average 31.2 hours per week at an average hourly total cash earnings rate of \$35.30.

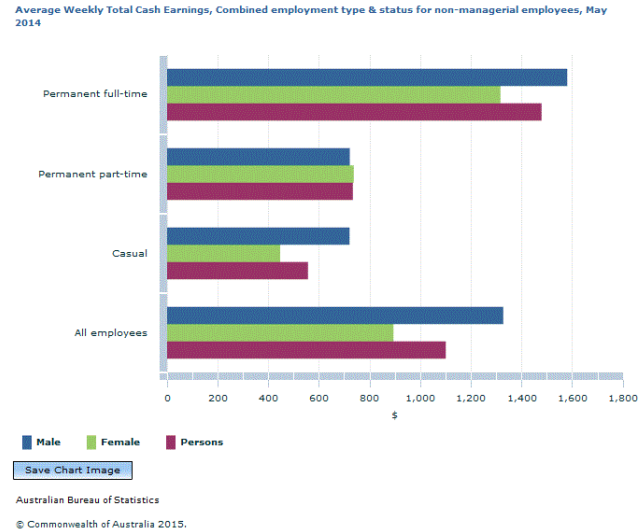
Permanent full-time non-managerial employees were paid for an average 39.6 hours per week at an average hourly total cash earnings rate of \$37.30 and received \$1,477.90 average weekly total cash earnings. These employees comprised 54.9% of all non-managerial employees.

Permanent part-time non-managerial employees comprised 21.5% of all non-managerial employees. They were paid for an average 23.0 hours per week at an average hourly total cash earnings rate of \$31.90, resulting in average weekly total cash earnings of \$733.30.

Casual non-managerial employees comprised 23.5% of all non-managerial employees. These employees were paid for an average 19.2 hours per week at an average hourly total cash earnings rate of \$29.00 to receive average weekly total cash earnings of \$555.70.

Permanent full-time males represented 33.7% of all non-managerial employees. They were paid for an average 40.5 hours per week at an hourly cash rate of \$39.10 to receive average weekly total cash earnings of \$1,579.80.

Permanent full-time females represented 21.2% of all non-managerial employees. These employees were paid for an average 38.3 hours per week at an hourly cash rate of \$34.40 to receive \$1,316.20 average weekly total cash earnings.



Source(s): Employee Earnings and Hours, Australia, May 2014

Occupation

For all non-managerial employees, **Professionals** had the highest average hourly total cash earnings (\$47.60), followed by **Managers** (\$45.60). **Managers** were, on average, paid for more total hours per week than **Professionals** (37.3 hours and 32.0 hours respectively). As a result **Managers** received higher average weekly total cash earnings than **Professionals** (\$1,702.10 and \$1,523.50, respectively).

Sales workers had the lowest average hourly total cash earnings (\$25.60) and were paid for the lowest average total hours per week (24.2 hours). As a result they also received the lowest average weekly total cash earnings (\$618.20) of all occupation groups.

Labourers had the second lowest average hourly total cash earnings (\$27.60) and were paid for an average 29.8 hours per week. As a result, they received higher average weekly total cash earnings (\$822.50) than **Community and personal services workers** (\$759.10), who received higher average hourly total cash earnings (\$29.40) but were paid for fewer average total hours (25.8 hours).

NON-MANAGERIAL EMPLOYEES, Average weekly total hours paid for, Average hourly total cash earnings and Average weekly total cash earnings–Occupation, May 2014			
	AVERAGE WEEKLY TOTAL	AVERAGE HOURLY TOTAL	AVERAGE WEEKLY TOTAL

	HOURS PAID FOR (hours)	CASH EARNINGS (\$)	CASH EARNINGS (\$)
Occupation		ESTIMATE	
Managers	37.3	45.60	1,702.10
Professionals	32.0	47.60	1,523.50
Technicians and trades workers	37.9	35.00	1,328.60
Community and personal service workers	25.8	29.40	759.10
Clerical and administrative workers	31.5	31.60	994.00
Sales workers	24.2	25.60	618.20
Machinery operators and drivers	39.3	34.50	1,355.60
Labourers	29.8	27.60	822.50
All occupations	31.2	35.30	1,100.40
		STANDARD ERROR	
Managers	0.2	1.20	43.10
Professionals	0.2	0.40	15.70
Technicians and trades workers	0.4	0.70	34.20
Community and personal service workers	0.3	0.30	14.10
Clerical and administrative workers	0.2	0.20	8.40
Sales workers	0.4	0.40	16.20
Machinery operators and drivers	0.6	0.70	36.60
Labourers	0.5	0.50	25.40
All occupations	0.2	0.20	9.90

Industry

For all non-managerial employees, those in the **Mining** industry had the highest average hourly total cash earnings (\$56.20) and average weekly total hours paid for (42.6 hours), resulting in the highest average weekly total cash earnings (\$2,394.90).

Non-managerial employees in the **Accommodation and food services** had the lowest average hourly total cash earnings (\$23.10) and average weekly total hours paid for (22.7 hours), resulting in the lowest average weekly total cash earnings (\$524.00).

NON-MANAGERIAL EMPLOYEES, Average weekly total hours paid for, Average hourly total cash earnings and Average weekly total cash earnings–Industry, May 2014

	AVERAGE WEEKLY TOTAL HOURS PAID FOR (hours)	AVERAGE HOURLY TOTAL CASH EARNINGS (\$)	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)
Industry		ESTIMATE	
Mining	42.6	56.20	2,394.90
Manufacturing	36.4	33.50	1,218.70
Electricity, gas, water and waste services	38.8	44.20	1,715.30
Construction	39.5	39.00	1,539.60
Wholesale trade	35.9	34.20	1,229.50
Retail trade	26.0	24.90	647.90
Accommodation and food services	22.7	23.10	524.00
Transport, postal and warehousing	37.1	34.70	1,284.80
Information media and telecommunications	34.2	41.80	1,427.80
Finance and insurance services	35.2	38.70	1,364.30
Rental, hiring and real estate services	32.9	31.50	1,036.40
Professional, scientific and technical services	33.2	39.60	1,317.60
Administrative and support services	30.9	32.40	1,002.80
Public administration and safety	34.6	39.60	1,372.50
Education and training	27.3	40.60	1,108.40
Health care and social assistance	28.4	36.50	1,034.20
Arts and recreation services	23.5	31.20	734.20
Other services	30.4	28.70	872.00
All industries	31.2	35.30	1,100.40
		STANDARD ERROR	
Mining	0.3	0.80	33.80
Manufacturing	0.5	0.90	39.10
Electricity, gas, water and waste services	0.5	0.80	33.20
Construction	0.6	1.40	74.60
Wholesale trade	0.6	1.90	70.70
Retail trade	0.4	0.40	17.60
Accommodation and food services	0.7	0.30	17.90
Transport, postal and warehousing	0.5	0.50	24.50
Information media and telecommunications	0.4	0.80	34.70
Finance and insurance services	0.6	1.10	38.60
Rental, hiring and real estate services	0.7	1.80	64.90
Professional, scientific and technical services	1.0	0.80	54.20
Administrative and support services	0.6	0.80	32.20
Public administration and safety	0.3	0.40	19.10
Education and training	0.3	0.40	15.30
Health care and social assistance	0.4	0.50	17.00
Arts and recreation services	1.1	0.60	43.10
Other services	0.7	0.60	28.30
All industries	0.2	0.20	9.90

Methods of setting pay

Amongst non-managerial employees, the most common method of setting pay was **Collective agreement** (43.5%). Employees paid by **Collective agreement** had the highest average hourly total cash earnings (\$37.80), and were paid for an average 31.0 total hours per week. As a result these employees received average weekly total cash earnings of \$1,170.90.

Employees paid by **Individual arrangement** accounted for 36.1% of non-managerial employees and received the highest average weekly total cash earnings of \$1,240.80. They were paid for the highest average hours per week (33.8 hours) at an average hourly total cash rate of \$36.70.

Employees paid by **Award only** had the lowest average hourly total cash earnings (\$25.90), were paid for the lowest average total hours per week (27.1 hours) and received the lowest average weekly total cash earnings (\$702.80). The employees accounted for 20.4% of all non-managerial employees.

NON-MANAGERIAL EMPLOYEES, Average weekly total hours paid for, Average hourly total cash earnings and Average weekly total cash earnings–Method of Setting Pay (a), May 2014

	AVERAGE WEEKLY TOTAL HOURS PAID FOR (hours)	AVERAGE HOURLY TOTAL CASH EARNINGS (\$)	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)
Award only	27.1	25.90	702.80
Collective agreement (b)	31.0	37.80	1,170.90
Individual arrangement (c)	33.8	36.70	1,240.80
All methods of setting pay	31.2	35.30	1,100.40
		STANDARD ERROR	
Award only	0.4	0.20	11.90
Collective agreement (b)	0.3	0.40	18.60
Individual arrangement (c)	0.2	0.30	15.30
All methods of setting pay	0.2	0.20	9.90

(a) The non-managerial employee population does not include owner managers of incorporated enterprises.

(b) Includes registered and unregistered collective agreements.

(c) Includes registered and unregistered individual arrangements.

For permanent full-time non-managerial employees, the most common method of setting pay was **Individual arrangement** (45.1%). For casual non-managerial employees, **Award only** (38.9%) was the most common method of setting pay.

The highest average hourly total cash earnings received by non-managerial employees were paid to permanent full-time males under a **Collective agreement** (\$42.00). They were also paid for the highest average weekly total hours (41.1 hours), resulting in the highest average weekly total cash earnings (\$1,725.20).

Full-time non-managerial employees paid at the adult rate of pay

This document was added or updated on 18/01/2017.

FULL-TIME NON-MANAGERIAL EMPLOYEES PAID AT THE ADULT RATE

Analysis of estimates for full-time non-managerial employees paid at the adult rate provides an opportunity to compare earnings and hours paid for by classifications of interest such as sex, method of setting pay, occupation, industry and sector without compositional elements such as the proportion of part-time employees, or employees paid at junior, apprentice or trainee or disability rates. For example, an industry with a large proportion of part-time employees and employees paid at the junior rate will have lower average earnings for all employees than an industry with a small proportion of part-time employees and employees paid at the junior rate.

Key results by category

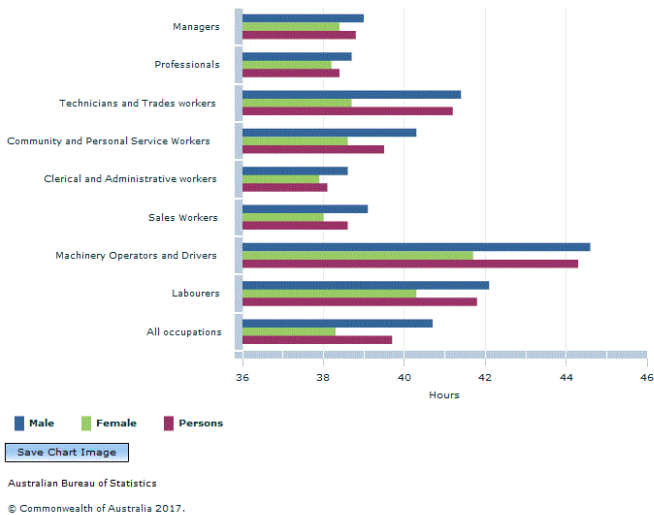
In May 2014, there were 5,022,800 full-time non-managerial employees paid at the adult rate of whom 61.1% were male and 38.9% were female. The majority of these employees (95.4%) were employed on a permanent or fixed term basis. Less than one in 20 full-time non-managerial employees paid at the adult rate (4.6%) were casual.

Average weekly total cash earnings was \$1,509.30 for full-time non-managerial employees paid at the adult rate (\$1,625.70 for male employees and \$1,326.10 for female employees). For these employees, average weekly total hours paid for was 39.7 hours (40.7 hours for males and 38.3 hours for females). Average hourly total cash earnings was \$38.00 for all full-time non-managerial employees paid at the adult rate (\$40.00 for male employees and \$34.60 for female employees).

Occupation

Among full-time non-managerial employees paid at the adult rate, **Machinery operators and drivers** had the highest average weekly total hours paid for (44.3 hours). **Clerical and administrative workers** had the lowest average weekly total hours paid for (38.1 hours). **Professionals** had the highest average hourly total cash earnings (\$47.60) and **Sales workers** had the lowest (\$29.00).

Average Weekly Total Hours Paid For, Full-time non-managerial adult employees - Occupation, May 2014



Source(s): Employee Earnings and Hours, Australia, May 2014

Industry

Average weekly total hours paid for was highest in the **Mining** industry (43.3 hours) and lowest in the **Education and training** industry (37.7 hours) for full-time non-managerial employees paid at the adult rate. The **Mining** industry also had the highest average hourly total cash earnings of \$56.60. Full-time non-managerial employees paid at the adult rate in the **Accommodation and food services** industry had the lowest average hourly total cash earnings of \$25.90.

The **Manufacturing** industry employed the highest proportion of all full-time non-managerial employees paid at the adult rate (9.9%), followed by the **Health care and social assistance** industry (9.1%).

Sector

For full-time non-managerial employees paid at the adult rate, average weekly total hours paid for was higher in the **private sector** (40.2 hours) than in the **public sector** (38.3 hours). In contrast, average hourly total cash earnings was higher in the **public sector** (\$42.30) than the **private sector** (\$36.80).

Methods Of Setting Pay

The most common method of setting pay for full-time non-managerial employees paid at the adult rate was an **Individual arrangement** (45.4%). The average weekly total cash earnings for these employees was \$1,512.50. On average, they were paid for a total of 39.5 hours a week at an average hourly total cash earnings rate of \$38.30.

The next most common method of setting pay for full-time non-managerial employees paid at the adult rate was **Collective agreement** (41.8%). These employees had the highest average hourly total cash earnings (\$40.40) and were paid for the most total hours per week (40.0 hours). The average weekly total cash earnings for this group of employees was \$1,617.20.

The least common method of setting pay for full-time non-managerial employees paid at the adult rate was **Award only** (12.7%). These employees, paid for an average 39.8 weekly total hours, received the lowest average total cash earnings per week (\$1,143.00) and per hour (\$28.70).

DISTRIBUTION OF EARNINGS

Weekly total cash earnings, Method of setting pay

Median weekly total cash earnings for full-time non-managerial employees paid at the adult rate was \$1,319.00. The lowest paid 25% of these employees received \$1,010.00 or less in weekly total cash earnings. The next 50% (or inter quartile range) of full-time non-managerial employees paid at the adult rate received weekly total cash earnings between \$1,010.00 and \$1,780.00.

One in 10 full-time non-managerial employees paid at the adult rate received weekly total cash earnings of \$838.00 or less, while one in 10 received weekly total cash earnings of \$2,372.00 or more.

Median weekly total cash earnings for full-time non-managerial employees paid at the adult rate was highest for those paid by collective agreement (\$1,468.00) followed by individual arrangement (\$1,278.00) and award only (\$1,002.00).

The inter quartile range for full-time non-managerial employees paid at the adult rate was: between \$1,129.00 and \$1,888.00 for those paid by collective agreement; between \$1,009.00 and \$1,770.00 for those paid by individual arrangement; and between \$837.00 and \$1,302.00 for those employees paid by award only.

FULL-TIME NON-MANAGERIAL employees paid at the adult rate, Distribution of weekly total cash earnings–Method of setting pay, May 2014				
	Award only	Collective agreement (a)	Individual arrangement (b)	All methods of setting pay
	WEEKLY TOTAL CASH EARNINGS (\$) (c)			
Deciles and quartiles				
10th Percentile	724.00	898.00	854.00	838.00
20th Percentile	801.00	1,058.00	962.00	962.00
25th Percentile (1st quartile)	837.00	1,129.00	1,009.00	1,010.00

30th Percentile	865.00	1,191.00	1,057.00	1,063.00
40th Percentile	931.00	1,324.00	1,155.00	1,182.00
50th Percentile (median) (2nd quartile)	1,002.00	1,468.00	1,278.00	1,319.00
60th Percentile	1,092.00	1,623.00	1,440.00	1,477.00
70th Percentile	1,219.00	1,776.00	1,650.00	1,677.00
75th Percentile (3rd quartile)	1,302.00	1,888.00	1,770.00	1,780.00
80th Percentile	1,434.00	2,021.00	1,926.00	1,923.00
90th Percentile	1,768.00	2,410.00	2,464.00	2,372.00
Average weekly total cash earnings	1,143.00	1,617.20	1,512.50	1,509.30

(a) Includes registered and unregistered collective agreements.

(b) Includes registered and unregistered individual arrangements.

(c) Percentiles are based on whole dollars only.

Weekly total cash earnings, Occupation by Sex

For all full-time non-managerial employees paid at the adult rate, occupation groups with the highest median weekly total cash earnings were **Professionals** (\$1,682.00) and **Managers** (\$1,586.00). 10% of **Managers** received weekly total cash earnings of \$2,904.00 or more, and the highest paid 10% of **Professionals** received \$2,683.00 or more.

The occupation groups with the lowest median weekly total cash earnings for full-time non-managerial employees paid at the adult rate were **Sales workers** (\$1,000.00) and **Labourers** (\$1,048.00).

One in 10 full-time non-managerial employees paid at the adult rate who were **Machinery operators and drivers** received weekly total cash earnings of \$2,596.00 or more. Ten percent of **Technicians and trades workers** received weekly total cash earnings of \$2,579.00 or more, while one in 10 full-time non-managerial **Community and personal service workers** paid at the adult rate received \$2,033.00 or more.

Median weekly total cash earnings for full-time non-managerial employees paid at the adult rate was higher for males (\$1,410.00) than females (\$1,200.00). The lowest paid 10% of males received weekly total cash earnings of \$876.00 or less compared to \$798.00 or less for females. The highest paid 10% of male full-time non-managerial employees paid at the adult rate received weekly total cash earnings of \$2,598.00 or more compared to \$1,988.00 or more for their female counterparts.

For male full-time non-managerial employees paid at the adult rate, median weekly total cash earnings was highest for **Managers**, (\$1,809.00) and **Professionals** (\$1,776.00). For females, **Professionals** had the highest median weekly total cash earnings (\$1,596.00). The median weekly total cash earnings was higher for female **Managers** (\$1,195.00) than female **Machinery operators and drivers** (\$1,127.00). Female median weekly total cash earnings was higher at the 90th percentile for **Machinery operators and drivers** (\$2,640.00) than for **Managers** (\$2,372.00).

Both male and female median weekly total cash earnings was lowest for **Sales workers** (males \$1,058.00, females \$900.00) and **Labourers** (males \$1,080.00, females \$918.00). The difference between median weekly total cash earnings for male and female full-time non-managerial employees paid at the adult rate was smallest for **Sales workers** (\$158.00) and **Labourers** (\$162.00) and greatest for **Managers** (\$614.00).

Median Weekly Total Cash Earnings, Full-time non-managerial employees, adult rate of pay - Occupation by Sex, May 2014



Male Female Persons

Save Chart Image

Australian Bureau of Statistics

© Commonwealth of Australia 2016.

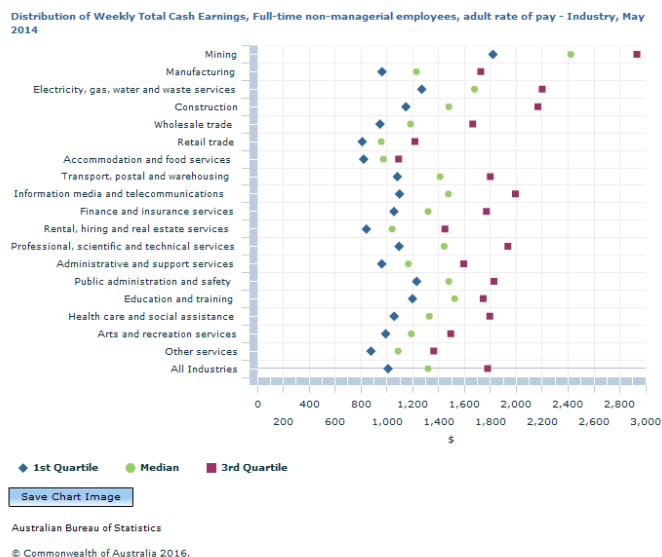
Source(s): [Employee Earnings and Hours, Australia, May 2014](#)

Source(s): Employee Earnings and Hours, Australia, May 2014

Weekly total cash earnings, Industry

Median weekly total cash earnings for all full-time non-managerial employees paid at the adult rate was highest for those employees in the **Mining** industry (\$2,421.00), which was \$743.00 higher than for the next highest industry, **Electricity, gas, water and waste services** (\$1,678.00). One in five full-time non-managerial employees paid at the adult rate in the **Mining** industry received weekly total cash earnings of \$3,045.00 or more, higher than in **Construction** (\$2,412.00) and **Electricity, gas, water and waste services** (\$2,388.00).

In contrast, industries with the lowest median weekly total cash earnings for all full-time non-managerial employees paid at the adult rate were **Retail trade** (\$958.00) and **Accommodation and food services** (\$974.00).



Source(s): [Employee Earnings and Hours, Australia, May 2014](#)

Source(s): Employee Earnings and Hours, Australia, May 2014

Weekly total cash earnings, Sector

Median weekly total cash earnings was higher for full-time non-managerial employees paid at the adult rate in the **public sector** (\$1,532.00) than the **private sector** (\$1,248.00). Earnings for the highest paid 10% were higher in the **private sector** (\$2,406.00) than the **public sector** (\$2,247.00).

FULL-TIME NON-MANAGERIAL employees paid at the adult rate, Distribution of weekly total cash earnings–Sector, May 2014

	Private sector	Public sector	All sectors
	WEEKLY TOTAL CASH EARNINGS (\$) (a)		
Deciles and quartiles			
10th Percentile	811.00	1,033.00	838.00
20th Percentile	923.00	1,171.00	962.00
25th Percentile (1st quartile)	969.00	1,239.00	1,010.00
30th Percentile	1,018.00	1,301.00	1,063.00
40th Percentile	1,122.00	1,422.00	1,182.00
50th Percentile (median) (2nd quartile)	1,248.00	1,532.00	1,319.00
60th Percentile	1,401.00	1,664.00	1,477.00
70th Percentile	1,618.00	1,774.00	1,677.00
75th Percentile (3rd quartile)	1,745.00	1,872.00	1,780.00
80th Percentile	1,910.00	1,980.00	1,923.00
90th Percentile	2,406.00	2,247.00	2,372.00
Average weekly total cash earnings	1,477.90	1,621.20	1,509.30

(a) Percentiles are based on whole dollars only.

Employees paid by award only

EMPLOYEES PAID BY AWARD ONLY

Employees paid by Award only is a population of interest to many users. Selected results for these employees have been presented below.

Key results by category

Of the 1,860,700 employees paid by Award only, 44.6% were casual, 37.0% were permanent full-time and 18.4% were permanent part-time. The average age of all employees paid by Award only was 35.7 years. The average weekly ordinary time cash earnings for these employees was \$682.50.

The average weekly ordinary time cash earnings for permanent full-time employees paid by Award only was \$1,012.00. The average age of these employees was 36.4 years. They were paid for an average 38.0 ordinary time hours at an average hourly ordinary time cash rate of \$26.60.

Permanent part-time employees paid by Award only were, on average, 38.5 years of age, worked an average of 22.2 ordinary time hours a week at an average hourly ordinary time cash rate of \$25.50. These employees received \$564.70 in average weekly ordinary time cash earnings.

The average age of casual employees paid by Award only was 34.0 years. The average hourly ordinary time cash earnings rate for these employees was \$24.60 and they were paid for an average 18.6 ordinary time hours. They received \$457.40 in average weekly ordinary time cash earnings.

Occupation

Community and personal service workers made up the largest proportion of all employees paid by Award only, followed by **Sales workers** (21.2% and 20.7% respectively). Average weekly total cash earnings was \$654.20 for **Community and personal service workers** and \$470.60 for **Sales Workers**.

EMPLOYEES PAID BY AWARD ONLY, Average weekly total cash earnings and Number of employees–Occupation, May 2014

	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)	NUMBER OF EMPLOYEES ('000)
Occupation	ESTIMATE	
Managers	1,398.00	64.8
Professionals	1,207.10	143.4
Technicians and Trades Workers	743.90	256.5
Community and Personal Service Workers	654.20	394.2
Clerical and Administrative Workers	718.70	208.0
Sales Workers	470.60	384.7
Machinery Operators And Drivers	910.70	101.9
Labourers	611.10	307.3
All employees paid by Award only	711.20	1,860.7
	STANDARD ERROR	
Managers	87.60	10.0
Professionals	43.20	10.3
Technicians and Trades Workers	24.90	21.6
Community and Personal Service Workers	21.80	25.7
Clerical and Administrative Workers	22.50	13.2
Sales Workers	20.10	39.2
Machinery Operators And Drivers	43.70	11.6
Labourers	29.20	25.7
All employees paid by Award only	12.20	74.8

Industry

Employees in the **Retail trade** industry made up the largest proportion of all employees paid by Award only, followed by the **Accommodation and food services** industry (17.2% and 17.0% respectively). Average weekly total cash earnings was \$553.70 for employees in the **Retail trade** industry and \$519.20 for employees in the **Accommodation and food services** industry.

EMPLOYEES PAID BY AWARD ONLY, Average weekly total cash earnings and Number of employees–Industry, May 2014

	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)	NUMBER OF EMPLOYEES ('000)
Industry	ESTIMATE	
Mining	1,314.60	* 1.3
Manufacturing	654.70	109.9
Electricity, gas, water and waste services	998.50	7.9
Construction	783.40	93.8
Wholesale trade	755.00	53.2
Retail trade	553.70	320.3
Accommodation and food services	519.20	316.9
Transport, postal and warehousing	973.50	48.0
Information media and telecommunications	624.70	8.3
Finance and insurance services	844.10	* 20.1
Rental, hiring and real estate services	625.30	39.2
Professional, scientific and technical services	518.30	* 76.9
Administrative and support services	693.10	227.9
Public administration and safety	1,554.30	79.7
Education and training	644.10	47.6
Health care and social assistance	934.30	281.4
Arts and recreation services	432.80	37.6
Other services	676.70	91.0
All employees paid by Award only	711.20	1,860.7
	STANDARD ERROR	
Mining	195.30	0.5
Manufacturing	50.20	16.3
Electricity, gas, water and waste services	69.70	1.9
Construction	57.60	13.3
Wholesale trade	75.90	11.6
Retail trade	18.30	31.0
Accommodation and food services	18.00	23.7
Transport, postal and warehousing	80.80	7.4
Information media and telecommunications	75.40	1.8
Finance and insurance services	119.30	8.7
Rental, hiring and real estate services	33.70	5.2
Professional, scientific and technical services	94.10	24.6
Administrative and support services	32.00	28.5
Public administration and safety	69.40	8.5
Education and training	55.60	8.4
Health care and social assistance	31.90	27.5
Arts and recreation services	38.80	5.5
Other services	51.90	12.5
All employees paid by Award only	12.20	74.8

* estimate has a relative standard error of 25% to 50% and should be used with caution

States and territories

New South Wales had the largest number of employees paid by Award only (680,300 employees). This represented 21.8% of all employees in **New South Wales**. These employees received average weekly total cash earnings of \$857.50.

Employees paid by Award only comprised 27.3% of all employees in **Tasmania**, making this the state or territory with the largest proportion of employees paid by this method of setting pay. These employees received \$630.10 in average weekly total cash earnings.

Employees paid by Award only in the **Australian Capital Territory** received the lowest average weekly total cash earnings (\$550.40) and comprised 14.3% of all employees in that territory. The **Northern Territory** had the smallest proportion of all employees paid by Award only (13.4%) but these employees had the highest average weekly total cash earnings of all states and territories (\$868.50).

EMPLOYEES PAID BY AWARD ONLY and ALL EMPLOYEES, Average weekly total cash earnings and Number of employees–States and Territories, May 2014

	EMPLOYEES PAID BY AWARD ONLY	ALL EMPLOYEES
--	------------------------------	---------------

	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)		NUMBER OF EMPLOYEES ('000)	NUMBER OF EMPLOYEES ('000)
States and territories		ESTIMATE		
New South Wales	857.50		680.3	3,119.0
Victoria	631.70		390.6	2,417.5
Queensland	583.60		416.7	1,957.4
South Australia	677.80		99.2	626.7
Western Australia	684.50		170.0	1,232.3
Tasmania	630.10		56.2	205.5
Northern Territory	868.50		15.3	114.2
Australian Capital Territory	550.40		32.4	226.4
All employees paid by Award only	711.20		1,860.7	9,898.9
		STANDARD ERROR		
New South Wales	20.30		38.5	57.8
Victoria	22.70		37.6	57.2
Queensland	30.00		42.7	62.1
South Australia	29.20		9.9	23.9
Western Australia	42.40		18.0	59.0
Tasmania	33.90		5.1	14.2
Northern Territory	79.40		3.1	7.6
Australian Capital Territory	37.30		6.6	13.2
All employees paid by Award only	12.20		74.8	118.4

Sector

Employees paid by **Award only** made up 21.0% of all employees in the **private sector** compared to 9.5% of all employees in the **public sector**.

EMPLOYEES PAID BY AWARD ONLY AND ALL EMPLOYEES, Average weekly total cash earnings and Number of employees–Sector, May 2014

	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)	EMPLOYEES PAID BY AWARD ONLY NUMBER OF EMPLOYEES ('000)	ALL EMPLOYEES NUMBER OF EMPLOYEES ('000)
Sector		ESTIMATE	
Private sector	635.60	1,683.5	8,034.5
Public sector	1,429.10	177.3	1,864.4
All employees paid by Award only	711.20	1,860.7	9,898.9
		STANDARD ERROR	
Private sector	12.40	74.6	112.4
Public sector	39.50	9.2	35.6
All employees paid by Award only	12.20	74.8	118.4

Supplementary analysis

SUPPLEMENTARY ANALYSIS

A number of changes were introduced in May 2014 to data items collected about employees. These included:

- The item Adult/Junior employee was modified, and further categories included. The new item 'rate of pay' has the following categories: adult rate; junior rate; apprentice or trainee rate; and disability rate;
- The actual age of the employees was collected for the first time in 2014. Prior to this, the information on age was collected only as 'under 18 years', '18 years and under 21 years' and '21 years and over'; and
- Hours paid for data were requested for all employees, including Upper level managers and Owner managers of incorporated enterprises (collectively referred to as Managerial employees). Prior to this, hours paid for data was collected only for non-managerial employees. Despite this change, hours paid for could not be provided for Managerial employees where there was no relationship between earnings and hours. As a result, estimates of hours paid for and hourly cash earnings have only been produced for employees with a link between earnings and hours.

RATE OF PAY

Rate of pay was collected in four categories: Adult; Junior; Apprentice or trainee; and Disability. The disability rate of pay category does not measure all employees with a disability, only those paid at a specified disability rate. The disability rate of pay is based on the definition in the Fair Work Commission's National Minimum Wage Order, i.e.

Special national minimum wage 2—for employees with disability who are unable to perform the range of duties to the competence level required of an employee within the class of work for which the employee is engaged because of the effects of disability on their productive capacity, and who meet the impairment criteria for receipt of a Disability Support Pension (and who is not a junior employee, or an apprentice, or an employee to whom a training arrangement applies): a base rate of pay set in accordance with Schedule A to the National Minimum Wage Order.

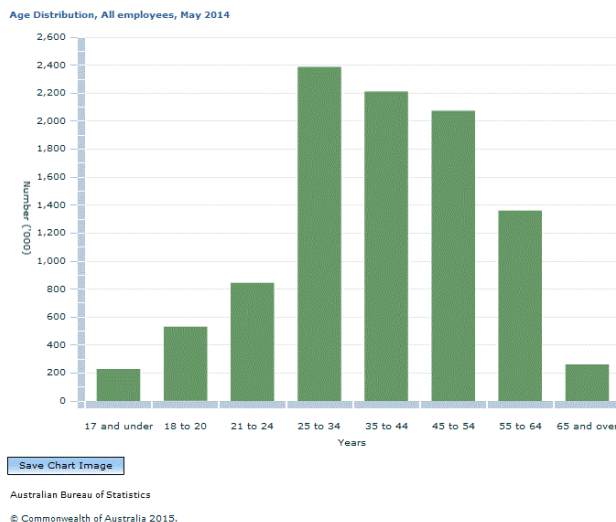
The proportion of employees by rate of pay were Adult 93.2%; Junior 4.8%; Apprentice or trainee 1.9%; and Disability 0.1%. Where possible dis-aggregated data have been produced in this release for each rate of pay. In some instances it has been necessary to collapse the Apprentice or trainee and Disability rate of pay. The table below presents average weekly total cash earnings, average age and the number of employees by rate of pay for all employees. Compositional factors, such as the proportion of full-time or part-time employees as well as permanent, fixed term or casual employees, impact the average weekly total cash earnings for a category.

ALL EMPLOYEES, Average weekly total cash earnings, Average age and Number of Employees–Rate of pay, May 2014

	AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)		AVERAGE AGE (years)	NUMBER OF EMPLOYEES ('000)
Rate of Pay		ESTIMATE		
Adult	1,244.10		41.0	9,225.4
Junior	246.90		17.7	471.7
Apprentice or trainee	576.60		21.4	188.7
Disability	142.40		39.0	13.1
All employees	1,182.40		39.5	9,898.9
		STANDARD ERROR		
Adult	10.00		0.2	109.3
Junior	10.10		0.1	30.0
Apprentice or trainee	20.90		0.3	14.7
Disability	12.10		1.8	2.9
All employees	10.30		0.2	118.4

AGE

Employee age is presented as either averages or in categories throughout the publication. Age categories have been collapsed as necessary and as a result may not be consistent across all tables. The graph below presents an overview of the distribution of the age of all employees.



Source(s): Employee Earnings and Hours, Australia, May 2014

EMPLOYEES PAID AT THE ADULT RATE OF PAY COMPARED TO ADULT EMPLOYEES

In prior cycles of the Survey of Employee Earnings and Hours, separate data were produced for Adult and Junior employees. Adult employees were defined as *employees who are 21 years of age or over, and employees under 21 years old who are paid at the full adult rate for their occupation*. Adult employees included employees aged 21 years of age or over on Apprentice or trainee and Disability rates of pay.

In comparison, the category **Employees paid at the adult rate of pay** only includes those employees paid the full adult rate of pay, regardless of age. All other rates of pay are excluded.

Results throughout this May 2014 release have been produced on the new conceptual basis, i.e. Full-time non-managerial employees paid at the adult rate of pay has been used instead of Full-time non-managerial adult employees. Synthesised estimates of Full-time non-managerial adult employees have been produced and are presented in the table below for comparative purposes only.

Comparison of Full-time non-managerial employees paid at the adult rate to Full-time non-managerial adult employees (a), May 2014

	AVERAGE WEEKLY ORDINARY TIME CASH EARNINGS (\$)		AVERAGE WEEKLY TOTAL CASH EARNINGS (\$)	NUMBER OF EMPLOYEES ('000)
		ESTIMATE		
Full-time non-managerial employees paid at the adult rate	1,430.90		1,509.30	5,022.8
Full-time non-managerial adult employees (a)	1,421.30		1,499.10	5,091.7
All employees	1,137.70		1,182.40	9,898.9
		STANDARD ERROR		
Full-time non-managerial employees paid at the adult rate	8.60		10.90	81.8
Full-time non-managerial adult employees (a)	8.60		10.80	83.2
All employees	9.60		10.30	118.4

(a) This is a synthesised estimate based on the 2012 concept of Full-time non-managerial adult employees. It has been produced by combining the survey results for employees paid at the adult rate of pay plus employees aged 21 years and over paid at the Apprentice or trainee and Disability rates of pay. For further details refer to paragraphs 43 and 44 of the Explanatory Notes.

HOURS PAID FOR, MANAGERIAL EMPLOYEES

In May 2014, hours paid for data were requested for all employees, including Upper level managers and Owner managers of incorporated enterprises (referred to as Managerial employees). Data could not be provided for managerial employees where there was no relationship between earnings and hours. The table below shows estimates of hours paid for and hourly cash earnings for employees with a link between earnings and hours.

Employees with earnings linked to hours, Average weekly total hours paid for, Average hourly total cash earnings, May 2014

	AVERAGE WEEKLY TOTAL HOURS PAID FOR (hours)	AVERAGE HOURLY TOTAL CASH EARNINGS (\$)
	ESTIMATE	
Managerial employees (a)	34.4	60.30
All employees (b)	31.5	37.50
	STANDARD ERROR	
Managerial employees (a)	0.3	1.00
All employees (b)	0.2	0.20

(a) Managerial employees with a link between earnings and hours.

(b) Excluding managerial employees with no link between earnings and hours.

People paid an Apprentice or trainee or Disability rate of pay

This document was added or updated on 18/01/2017.

PEOPLE PAID AN APPRENTICE/TRAINEE OR DISABILITY RATE OF PAY

INTRODUCTION

This article presents information about employees paid at an apprentice/trainee or disability rate of pay in Australia. The article examines the prevalence of these employees and describes their characteristics by analysing data collected in the 2014 Employee Earnings and Hours (EEH) survey.

BACKGROUND

The EEH survey, conducted by the ABS, is designed to provide detailed statistics on the composition and distribution of employee earnings, hours paid for and the methods used to set employees' pay. Information is collected from a sample of employers about the characteristics of the employer (such as industry and sector) and their employees (such as occupation, type of employee, and method of setting pay). This information is used to provide comprehensive statistics about earnings and hours paid for, for various groups of employees classified by such categories as industry, occupation or pay setting method.

For the first time, the 2014 EEH survey collected data about employees who are paid either an apprentice/trainee or disability rate of pay. This was in response to a review of EEH content during 2013, which identified that information on earnings of both these groups is important, and can be used in developing policies, for example:

- apprenticeship/traineeship rate of pay in the broader context of skills and investment,
- disability rate of pay in the context of increasing workforce participation of people with a disability.

People employed as apprentices and trainees may be paid more than the apprentice/trainee rate of pay specified in awards. Similarly, employed people with a disability may not be paid a

reduced rate of pay based on assessed work capacity. The rate of pay data in EEH specifically reflects the actual rate paid by the employer to an employee. Therefore, the analysis in this article may not relate to all people employed as apprentice/trainees, nor all employees with a disability. It follows that these data may not be equivalent to data on apprentices/trainees or workers with a disability from alternative sources. A brief comparison between EEH and some alternative data sources is included in the article.

PREVALENCE AND PAY

Throughout this article, data and analysis refers to *ordinary time hourly rates of pay for non-managerial employees* (endnote 1).

In May 2014, there were 9.1 million non-managerial employees (employee jobs). Of these, 188,100 (2.1%) employees were paid an apprentice/trainee rate, while 13,100 (0.1%) were paid a disability rate.

On average, employees paid an adult rate of pay received \$35.70 per hour, and employees paid a junior rate received \$16.60 per hour. Employees on an apprentice/trainee rate received \$15.90 per hour, and those on a disability rate received \$7.00 per hour from the employer. It should be noted that such data do not necessarily represent like for like comparisons between groups; many factors, including those covered below, contribute to an employee's level of earnings and these factors can be difficult to analyse independently.

CHARACTERISTICS OF EMPLOYEES PAID AN APPRENTICE/TRAINEE OR DISABILITY RATE

Age

As would be expected, given the training based nature of apprenticeships/traineeships, most employees paid at such a rate were 24 years old or younger (85%).

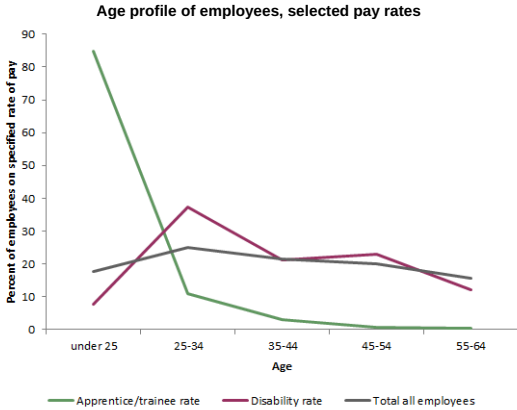
There is considerable interest in the rate of pay for apprentices/trainees by age. The proportion of apprentices/trainees by age group, and mean and median hourly rates, are shown below. It is important to note that the rate of pay may vary for each year of an apprenticeship irrespective of, or in addition to, the age of the apprentice/trainee. Year of apprenticeship information is not collected in the EEH survey.

Hourly earnings of employees paid an apprentice/trainee rate, by age

Age	Percent of employees on an apprentice/trainee rate (%)	Mean hourly earnings (\$)	Median hourly earnings (\$)
19 years and under	46.0	12.80	12.00
20-24	38.6	17.10	17.00
25-34	11.1	21.80	19.00
35-44	3.0 *	18.90	18.00
45-54	0.8 *	17.20	16.00
55 and over	0.3 **	22.70	20.00
All ages	100.0	15.90	15.00

* estimate has a relative standard error between 25% and 50% and should be used with caution
** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

Over 9 in ten employees paid a disability rate were 25 years or older. More than half of employees paid a disability rate were aged 35 years or older. The age distribution for apprentice/trainee employees is markedly different from that of all employees, particularly for younger ages (see graph below).



Industry

The industry division with the highest share (36%) of employees paid an apprentice/trainee rate was **Construction** (67,700 employees); with 85% of these working in the Construction services subdivision.

The **Other services** industry division employed the second highest share (12%) of employees paid an apprentice/trainee rate (21,700 employees). Of these employees:

- 57% worked in the Personal and other services subdivision, and
- 43% worked in the Repair and maintenance subdivision.

More than half (52%) of employees paid a disability rate were employed in the **Health care and social assistance** industry division, (6,800 employees); with most of these (90%) employed in the Social assistance services subdivision.

The **Administrative and support services** industry employed 18% of employees on a disability rate (2,400 employees), with over half of these in the Building cleaning, pest control and other support services subdivision.

Occupation

Over three quarters (77%) of employees on an apprentice/trainee rate were **Technicians and trade workers** (144,400 employees).

Most (60%) employees on a disability rate of pay were **Labourers** (7,900 employees); followed by **Clerical and administrative service workers** (11% or 1,400 employees). Over three quarters (78%) of the Labourers were Factory process workers.

Method of setting pay

Over half (57%) of employees on an apprentice/trainee rate of pay were paid according to an award, and 29% were paid by individual arrangements. It is possible that many of these individual arrangements reflect a rate of pay referenced to an award. Fewer than 15% of employees paid an apprentice/trainee rate had their pay set by a collective agreement.

For employees paid a disability rate:

- almost half (49%) were paid according to an award
- 41% had their pay set by collective agreement, and
- 10% had their pay set by individual arrangements.

The prevalence of the methods of setting pay, and associated hourly earnings, for those paid an apprentice/trainee or disability rate are shown in the table below.

Hourly earnings of employees paid an apprentice/trainee rate or disability rate, by method of setting pay

Method of setting pay	Apprentice/trainee rate			Disability rate		
	Percent of employees (%)	Mean hourly earnings (\$)	Median hourly earnings (\$)	Percent of employees (%)	Mean hourly earnings (\$)	Median hourly earnings (\$)
Award	57.0	13.40	12.00	48.9	7.10	4.00
Collective agreement	14.2	23.00	20.00	41.2	5.90	5.00

Individual arrangement	28.8	17.40	17.00	9.9	12.00	14.00
Total	100.0	15.90	15.00	100.0	7.00	5.00

Employer size

Employees who were paid an apprentice/trainee rate were most likely to be working in a small business. Businesses with under 20 employees accounted for 58% of employees paid such a rate.

Most employees paid a disability rate were employed by a large business. Businesses employing:

- 100-999 employees employed 50%
- 1,000 or more employees employed 21%

of all employees paid a disability rate.

ALTERNATIVE SOURCES AVAILABLE

There are a number of alternative data sources that provide information about people working as apprentices/trainees as well as employment of people with a disability. The data provided in EEH relate specifically to employees paid a specified rate of pay, e.g. apprentice/trainee rate.

Differences in scope, coverage and methodology between the sources affect comparability. The tables below provide a brief comparison of some of these data sources.

Sources of data on apprentices/trainees

Data source	EEH (business survey)	National Apprentice and Trainee Collection	Survey of Education and Work (household survey)
Designed to measure	Composition and distribution of employee earnings and hours paid for, as well as information on how employee rate of pay is set	All persons employed under a training contract, including both apprentices and trainees	Information on participation in education, highest educational attainment, transition from education to work and current labour force status
How apprentice/trainee population identified	Employers selected in the survey identify employees who are paid an apprentice/trainee rate of pay Employer characteristics available, with accurate employee characteristics, e.g. earnings, occupation	Administrative collection of registered training contracts Complete coverage Details of the number of apprentices/trainees and details of their contract	Apprentices or trainees are those identified as participating in the Australian Apprenticeship Scheme
Limitations	Survey run every 2 years Data item includes only apprentices/trainees who were paid at this rate No information available about year of apprenticeship Excludes employees from businesses primarily engaged in Agriculture, forestry and fishing Only employed in the reference period Sample survey with associated sampling errors	Data require revisions due to reporting lags Changes in reporting patterns over time would introduce bias into estimates, as historical reporting patterns are used to adjust estimates for recent periods	Some respondents report on behalf of others in the household which can affect the quality of data reported Fewer and less robust information about business characteristics Sample survey with associated sampling errors
Estimate (number of apprentices/trainees)	188,100 (non-managerial employees who are paid apprentice/trainee rate)	351,000 (June 2014, as released at 1 December 2014) Includes identified apprentices/trainees regardless of their rate of pay	181,700 (May 2014)
Primary publication	Employee Earnings and Hours, Australia (ABS cat. no. 6306.0)	Apprentices and trainees data (National Centre for Vocational Education Research) Quarterly data and annual historical data available	Education and Work, Australia (ABS cat. no. 6227.0)

Sources of data on employees with a disability

Data source	EEH (business survey)	Disability Employment Services data	Survey of Disability, Ageing and Carers (household survey)
Designed to measure	Composition and distribution of employee earnings and hours paid for, as well as information on how employee rate of pay is set	Key data for the Disability Employment Services program	The prevalence of disability in Australia The need for support of older people and those with disability A demographic and socio-economic profile of people with disability, older people and carers compared with the general population Estimate the number of, and provide information about people who provide care to people with disability, long-term health conditions and older people
How population of people with a disability identified	Employers selected in the survey identify employees who are paid a disability rate of pay Employer characteristics available, with accurate employee characteristics, e.g. earnings, occupation	Administrative collection based on the Disability Employment Services program	Detailed screening approach to identify people with disability Detailed data on disability, including level of disability Extensive information on employee socio-demographic characteristics
Limitations	Survey run every 2 years Data item includes only employees with a disability who were paid at this rate No information available about severity of employee's disability Excludes employees from businesses primarily engaged in Agriculture, forestry and fishing Only employed in the reference period Sample survey with associated sampling errors	Refers to caseload of people using the services only, including those who are looking for work, those preparing to enter employment, and those who require any ongoing support in the workplace. Short-term employment outcomes of program available, but not current employment nor total employment over the long term as a result of the program. Data will not include people with a disability who are employed through other channels	Current frequency 3-yearly Fewer and less robust information about business characteristics Sample survey with associated sampling errors Includes only people with a disability in the 15-64 year age group
Estimate (number of employees with a disability)	13,100 (non-managerial employees who are paid disability rate)	158,900 (May 2014 active caseload) Includes people who are employed, and people who are not employed	144,100 (employed with profound or severe core activity limitation) (data at 2012) Includes employees with a disability regardless of their rate of pay
Primary publication	Employee Earnings and Hours, Australia (ABS cat. no. 6306.0)	Disability Employment Services data (Department of Employment) Monthly data available	Disability, Ageing and Carers, Australia: Summary of Findings (ABS cat. no. 4430.0)

ENDNOTES

1. Full-time non-managerial ordinary time weekly earnings from EEH is a widely used measure, as it is unaffected by several compositional factors:

- people working part-time hours,
- people who are upper level managers (and have different salaries to other employees, e.g. people who work in their own incorporated business),
- different rates of pay for overtime hours.

A prominent fraction of Australia's workforce are part-time, and it is not appropriate to exclude them from the analysis in this article. In particular, over half of those paid a disability rate of pay were part-time. Thus, ordinary time hourly rates for all non-managerial employees are used in this article.

About this Release

Results of the biennial survey of Employee Earnings and Hours containing estimates of numbers of employees, average hours paid for and average earnings. Results are classified by sex, age, occupation, rate of pay (adult, junior, apprentice/trainee or disability), status in employment (permanent/fixed term or casual), full-time/part-time status, managerial status, states and territories,

industry, sector (private or government), employer unit size and method of setting pay (award, collective agreement or individual arrangement).

History of Changes

This document was added or updated on 19/02/2015.

18/01/2017 - An error was identified in the calculation of percentile data for the May 2014 release. The impact of the error in the percentile data was minor, however, these changes have been reflected in the updated data cubes and relevant commentary. This error only impacted the percentile data and no other estimates released have been affected.

19/02/2015 - A feature article examining people paid an Apprentice or trainee or Disability rate of pay has been added to this issue.

One quarter of all employees receive weekly total cash earnings of \$1,532 or more (Media Release)

22 January 2015

MEDIA RELEASE
Embargo: 11.30 am (Canberra Time)

07/2015

One quarter of employees receive weekly total cash earnings of \$1,532 or more

A report showing that, in May 2014, one quarter of all employees received weekly total cash earnings of \$1,532 or more was released today by the Australian Bureau of Statistics (ABS). It also found that one quarter of full-time employees earned \$1,850 or more per week.

The Survey of Employee Earnings and Hours statistical outputs are released every two years and provides statistics on employee earnings and hours paid, broken down by occupation, industry and sex, among other things.

"For the first time, it is possible to break down these statistics by age and rate of pay," Manpreet Singh from the ABS said.

"Collecting age and rate of pay information provides insight into employees as they enter, or prepare to exit, the labour market.

"Analysis of young employees and employees moving toward retirement age provides both employers and policy makers information to plan for the workforce of the future," Mr Singh said.

Employee Earnings and Hours results also provide information on the distribution of earnings and composition of the workforce. The survey found for 55-64 year olds, 16 per cent earned \$2,000 or more per week compared to 13 per cent across all age groups.

"We found that 60 per cent of employees were employed full-time and received average weekly total cash earnings of \$1,569 and median weekly total cash earnings of \$1,339," Mr Singh said.

"One in ten full-time employees received weekly total cash earnings of \$2,548 or more, while one in ten full-time employees received weekly total cash earnings of \$800 or less."

Further information is available in *Employee Earnings and Hours, Australia, May 2014* (cat. no. 6306.0).

Media note:

- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- Media requests and interviews - contact the ABS Communications Section on 1300 175 070.
- The average and median are both measures of where the midpoint of a data set is, and the strengths and weaknesses of each can be complimentary. An average can be skewed by a few extreme values, while a median can be skewed by a large number of similar values.

Explanatory Notes

Explanatory Notes

EXPLANATORY NOTES

INTRODUCTION

1 This issue contains estimates from the 2014 Survey of Employee Earnings and Hours (EEH) which was conducted with respect to the last pay period on or before 16 May 2014.

2 The EEH survey is conducted every two years and designed to provide detailed statistics on the composition and distribution of employee earnings, hours paid for and the methods used to set employees' pay. Information is collected from a sample of employers about characteristics of both the employers (such as industry and sector) and their employees (such as occupation, type of employee, and method of setting pay). This information is used to provide comprehensive statistics about earnings and hours paid for, for various groups of employees, classified by for example industry, occupation or pay setting method.

3 A number of changes were introduced in May 2014 to data items collected about employees. These included:

- The item Adult/Junior employee was modified, and further categories included. The new item 'rate of pay' has the following categories: adult rate; junior rate; apprentice or trainee rate; and disability rate;
- The actual age of the employees was collected for the first time in 2014. Prior to this, the information on age was collected only as 'under 18 years', '18 years and under 21 years' and '21 years and over'; and
- Hours paid for data were requested for all employees, including Upper level managers and Owner managers of incorporated enterprises (collectively referred to as Managerial employees). Prior to this, hours paid for data was collected only for non-managerial employees. Despite this change, hours paid for could not be provided for Managerial employees where there was no relationship between earnings and hours. As a result, estimates of hours paid for and hourly cash earnings have only been produced for employees with a link between earnings and hours.

CONCEPTS, SOURCES AND METHODS

4 Descriptions of the underlying concepts of employee earnings, hours paid for and methods of setting pay, and the sources and methods used in compiling these estimates, are presented in Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001).

5 Estimates of employee earnings produced from the Survey of Employee Earnings and Hours and presented in this publication are based on the Australian conceptual framework for measures of employee remuneration. From 2006, the measure of employee earnings for estimates produced from the survey is regular wages and salaries in cash (including amounts salary sacrificed, where it is the choice of the employee to forgo part of wages and salaries in cash in return for goods and services), that is, cash earnings.

SCOPE AND COVERAGE

6 The survey covered all employing organisations in Australia (public and private sectors) except:

- enterprises primarily engaged in agriculture, forestry and fishing;
- private households employing staff; and
- foreign embassies, consulates, etc.

7 The employees of employers covered in the survey are in scope if they received pay for the reference period, except:

- members of the Australian permanent defence forces;
- employees based outside Australia; and
- employees on workers' compensation who are not paid through the payroll.

SURVEY METHODOLOGY AND DESIGN

8 The survey uses a two-stage sample selection approach. The first stage involves selecting a probability sample of employer units from the ABS Business Register. The statistical unit for the first stage comprises all activities of an employer in a particular state or territory based on the Australian Business Number (ABN) unit or Type of Activity Unit (TAU) (see paragraphs 15 - 26). Each statistical unit is classified to an industry which reflects the predominant activity of the business. The statistical units are stratified by state/territory, sector (private/public), industry, and employment size. Within each stratum statistical units are selected with equal probability. A sample of approximately 8,000 employer (selection) units was selected to ensure adequate industry

and state/territory representation.

9 In the second stage the selected employers are asked to select a random sample of employees from their payrolls using instructions provided by the ABS. Data for approximately 55,000 employees contributed to the results in this publication.

10 Selected businesses were asked to complete the 2014 Survey of Employee Earnings and Hours survey questionnaire online, with an option to use a traditional paper questionnaire on request. In addition a number of providers, particularly large businesses, opted to provide data via spreadsheets. A large majority of businesses chose to complete and submit their responses online.

ABS ECONOMIC UNITS MODEL

11 The Economic Units Model is used by the ABS to determine the structure of Australian businesses and other organisations. The model consists of:

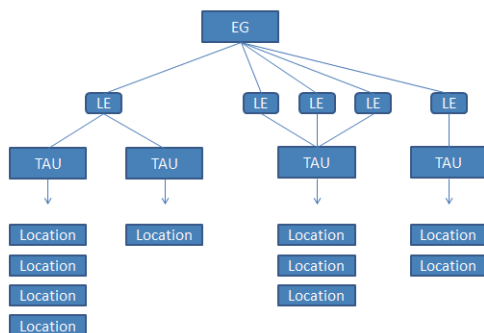
- The Enterprise Group (EG)
- Legal Entities (LEs)
- Type of Activity Units (TAUs)
- Location Units.

12 The EG and LE are institutional units and the TAU and Location are producing units.

13 The LE and the TAU are the main institutional and producing units used by the ABS to produce statistical outputs.

14 Diagram 1 illustrates the nature of the relationships between the different units within the model.

Diagram 1: ABS Economic Units Model*



* The legal entity (LE) statistical unit is generally equivalent to a single Australian Business Number registration

UNIT DEFINITIONS

15 The **Legal Entity (LE)** is an institutional unit covering all the operations in Australia of an entity which possesses some or all of the rights and obligations of individual persons or corporations, or which behaves as such in respect of those matters of concern for economic statistics. Examples of legal entities include companies, partnerships, trusts, sole (business) proprietorships, government departments and statutory authorities. Legal entities are institutional units. In most cases the LE is equivalent to a single Australian Business Number (ABN) registration.

16 The **Enterprise Group (EG)** is an institutional unit that covers all the operations within Australia's economic territory of legal entities under common control. Control is defined in Corporations legislation. Majority ownership is not required for control to be exercised.

17 The **Type of Activity Unit (TAU)** comprises one or more Legal Entities, sub-entities or branches of a Legal entity that can report productive and employment activities. TAUs are created if accounts sufficient to approximate Industry Value Added (IVA) are available at the Australian and New Zealand Standard Industrial Classification (ANZSIC) subdivision level.

18 A **Location** is a producing unit comprised of a single, unbroken physical area from which an organisation is engaged in productive activity on a relatively permanent basis, or at which the organisation is undertaking capital expenditure with the intention of commencing productive activity on a relatively permanent basis at some time in the future.

CLASSIFICATION OF UNITS

19 Various classifications are applied to the units in the ABS Economic Units Model. The main classifications applied are:

- ANZSIC
- Type of Legal Organisation (TOLO)
- Type of Business Entity (TOBE)
- Standard Institutional Sector Classification of Australia (SISCA)
- Public / Private classification.

20 ANZSIC is used to classify the industry in which the TAU has productive activity. Further information on this classification can be found in Australian and New Zealand Standard Industrial Classification, 2006 (cat no. 1292.0).

21 SISCA provides a framework for dividing the Australian economy into institutional sectors. Further information on this classification can be found in Standard Economic Sector Classifications of Australia (SESCA), 2008 (cat no. 1218.0).

ABS BUSINESS REGISTER

22 The ABSBR is a list of businesses and organisations operating in Australia and is based on the Australian Business Register (ABR). Organisations are included on the ABR when they register for an ABN. The Commonwealth Government requires all government departments and agencies to make use of the ABR to reduce government imposed reporting load, and to use the ABN as the primary reference number for all dealings between government and business. The ABSBR is used to create frames for the various business surveys run by the ABS.

23 It is not practicable for the ABS Economic Units Model to be applied to all ABR registrants and the Model is organised into two parts; the profiled population, and the non-profiled population.

24 **Profiled Population:** Businesses and other organisations which are considered sufficiently complex and economically significant, are profiled according to the Economic Units Model. These enterprise groups typically have multiple legal entities, multiple TAUs and are among the largest contributors within industries.

25 **Non-Profiled population:** Businesses and other organisations with less complex structures. They are regarded as an enterprise group with a single legal entity and a single TAU in accordance with the Economic Units Model. Information for units in the non-profiled population is largely sourced from the ABR.

26 The two populations are mutually exclusive and cover all organisations in Australia which have registered for an ABN.

INDUSTRY CLASSIFICATION

27 The statistics in this release are classified by industry in accordance with the Australian and New Zealand Standard Industrial Classification, 2006 (cat. no. 1292.0). This replaced the 1993 edition of ANZSIC in the August 2009 issue of this publication, which had been in use since 1994.

28 The 2006 edition of ANZSIC was developed to provide a more contemporary industrial classification system, taking into account issues such as changes in the structure and composition of the economy, changing user demands and compatibility with major international classification standards.

OCCUPATION CLASSIFICATION

29 Each employee in the survey is classified to an occupation based on their job title and duties. The classification used in the May 2014 issue of this release is Australian and New Zealand Standard Classification of Occupations, 2013 (Version 1.2) (cat. no. 1220.0). Between May 2006 and May 2010, the classification used in the May 2006 and May 2010 issues is the Australian and New Zealand Standard Classification of Occupations (First Edition) (cat. no. 1220.0). Data in the 1996 to 2004 issues are based on the Australian Standard Classification of Occupations 1997 (Second Edition) (cat. no. 1220.0).

MANAGERIAL STATUS

30 Employees have been classified as managerial if they have strategic responsibilities in the conduct or operations of the business and/or were in charge of a significant number of employees. These employees usually did not have an entitlement to paid overtime.

31 Care should be taken when comparing survey estimates based on ANZSCO groups with estimates based on the managerial status of employees. Estimates for employees with managerial status include employees classified to ANZSCO categories other than the ANZSCO major group **Managers**; e.g. employees classified as **Professionals** according to ANZSCO may be categorised by employers as having managerial status. Conversely, tables in this publication which contain estimates for non-managerial employees (as defined by employers) include some employees classified to the ANZSCO major group **Managers**.

METHODS OF SETTING PAY

32 Since the May 2000 survey, data on how employees' pay was set in the survey reference period have been collected as was data on whether agreements (individual or collective) were certified, approved or registered with an industrial tribunal or authority.

33 Estimates of employees covered by the various pay setting methods, and their associated pay outcomes in the May 2014 issue, have been compiled based on the workplace relations environment following the introduction of the **Fair Work Act 2009** and the subsequent introduction of the **Fair Work (State Referral and Consequential and Other Amendments) Act**, which allowed for the extension of the **Fair Work Act** to states and territories that refer workplace relations related matters to the Commonwealth. Data in previous publications of this series issued since 2000 are based on the workplace relations environment prior to the introduction of this legislation. The Fair Work system replaced the **Workplace Relations Amendment (Work Choices) Act 2005** that was in place for the August 2008 Survey of Employee Earnings and Hours.

34 Under the Fair Work system, the majority of employees come under the national workplace relations system. The following employers are covered by the national system:

- constitutional corporations (including a financial corporation - generally a financial or trading corporation formed in Australia or a foreign corporation that does business in Australia);
- the Commonwealth and Commonwealth authorities;
- all employers in Victoria, the Australian Capital Territory or the Northern Territory (except for law enforcement employers or executives in the public sector in Victoria, or a member of the Police Force in the Northern Territory);
- private sector employers in new South Wales, Queensland or South Australia;
- private sector or local government employers in Tasmania.

35 The following employers are generally not covered by the national system:

- the Western Australian state public sector and non-constitutional corporations, in either local government or private industry in the state;
- the state public sector and local government in New South Wales, Queensland and South Australia (unless the employer has a registered agreement in the national system);
- the state public sector in Tasmania (unless the employer has a registered agreement in the national system).

36 Employers not covered by the national system are covered by the relevant State Industrial Relations Commission.

37 Since 2010, information about the proportions of employees of employers in the national or state jurisdictions, as well as jurisdiction of registered agreements, are no longer published but may be available in the Confidentialised Unit Record File (CURF). See paragraphs 47 and 48 of the Explanatory Notes.

EMPLOYEE ESTIMATES

38 From May 2010, estimates of numbers of employees by method of setting pay are presented in this release, to add context around other estimates by method of setting pay. Care should be taken in the interpretation and use of such estimates, as the Survey of Employee Earnings and Hours is not designed specifically to produce estimates of numbers of employees. Consideration should be given to the level of variance of the estimates of numbers of employees, which are available from the standard error tables in the Excel spreadsheet available from the Downloads tab of this release. Users are directed to Labour Force, Australia (cat. no. 6202.0) as the primary source for official ABS estimates of employment.

COMPARABILITY OF RESULTS

39 Caution should be exercised when comparing estimates of numbers of employees from the Survey of Employee Earnings and Hours with those published monthly in Labour Force, Australia (cat. no. 6202.0) as there are a number of differences between the two collections. The Survey of Employee Earnings and Hours is a business survey that collects information from a sample of employers about their employees, whereas the Labour Force Survey is a household survey that collects information from the occupants of selected dwellings. The two collections use different sample design and survey methodologies and there are differences in scope and coverage. Users are directed to Labour Force, Australia (cat. no. 6202.0) as the primary source for official ABS estimates of employment. Detailed information about the concepts, sources and methods of the Survey of Employee Earnings and Hours and Labour Force Survey can be found in Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001).

40 From May 2006, estimates of employee earnings from the Survey of Employee Earnings and Hours have been produced on a cash basis, that is, inclusive of amounts salary sacrificed. This differs from estimates provided in previous issues, which excluded amounts salary sacrificed by employees. Estimates from the May 2004 and May 2002 surveys have been reproduced on the new conceptual basis, and broad level estimates for these years were included in the electronic data release accompanying the May 2006 publication.

41 Care should be taken when comparing estimates of average weekly earnings from the Survey of Employee Earnings and Hours with those published biannually in Average Weekly Earnings, Australia (cat. no. 6302.0). Headline estimates of average weekly earnings in that publication are presented on the previous conceptual basis (i.e. exclusive of amounts salary sacrificed), although Average Weekly Cash Earnings (inclusive of salary sacrifice) are available in data cubes accessed via the Downloads tab of Average Weekly Earnings, Australia (cat. no. 6302.0). Additionally, the two collections use different sample design and survey methodologies. The Survey of Average Weekly Earnings collects information relating to the total gross earnings and the total number of employees of employer units selected in the survey. The average weekly earnings measures are derived by dividing total gross earnings by the number of employees. The Survey of Employee Earnings and Hours collects information about weekly earnings of a sample of employees within the employer units selected.

42 In addition to Survey of Employee Earnings and Hours, the ABS produces earning statistics from a number of different sources (both household and employer surveys) which provide a wide range of data for a variety of purposes. The decision on which data to draw upon depends on the purpose and type of analysis to be undertaken. For further information on these other sources, please refer to the feature article Understanding Earnings in Australia Using ABS Statistics published in Employee Earnings, Benefits and Trade Union Membership, Australia, August 2013 (cat. no. 6310.0).

43 For the May 2014 Survey of Employee Earnings and Hours, the item Adult or Junior employee was modified, and further categories included. The new item 'rate of pay' has the following categories: adult rate; junior rate; apprentice or trainee rate; and disability rate. The previous Adult category included those employees aged 21 years and over who are not paid the full adult rate of pay for their occupation, which includes those paid an apprentice/trainee or disability rate of pay. To a lesser extent, the previous Junior category included some employees aged under 21 who, while not paid an age related rate of pay, were not paid the full adult rate of pay, such as those paid an apprentice/trainee or disability rate of pay. This conceptual change has little impact on the estimate of earnings for employees paid at the Junior rate and is not statistically significant when the Adult rate is compared to the Adult category.

44 However, previous estimates for Employees paid at the adult rate of pay are not directly comparable to estimates produced in prior cycles for Adult Employees. In particular, results for Full-time non-managerial employees paid at the adult rate of pay are not directly comparable to results for Full-time non-managerial adult employees, due to the reasons described above. The closest approximation to allow comparison with data from 2012 and before would be to apportion those employees paid at the Apprentice/Trainee Rate and Disability Rate to the Adult or Junior categories based on the employee's reported age. Data, on this broader aggregation of the rate of pay data item, are presented in the Summary of Findings in order to assist users interpret the difference between the two concepts.

RELIABILITY OF ESTIMATES

45 Estimates are subject to sampling and non-sampling errors. For information on the reliability of estimates see the Technical Note.

PRODUCTS AND SERVICES

46 In addition to the standard tables provided in this release (available in spreadsheet format from the Downloads tab), a limited range of data at ANZSCO 4 digit level by State and Territory is available on request. Contact National Information and Referral Service on 1300 135 070.

CONFIDENTIALISED UNIT RECORD FILE (CURF)

47 The ABS intends to produce a CURF from the 2014 Survey of Employee Earnings and Hours. This will be an Expanded CURF and it will only be accessible through the Remote Access Data Laboratory (RADL) and ABS Data Laboratory (ABSDL). The CURF will be available in SAS, STATA and SPSS formats. It is intended that the CURF will be available in mid-2015.

48 Further information about ABS microdata, including conditions of use, is available via the Microdata section on the ABS web site.

RELATED PUBLICATIONS

49 Users may also wish to refer to the following publications:

- Australian Labour Market Statistics (cat. no. 6105.0);
- Average Weekly Earnings, Australia (cat. no. 6302.0) - issued biannually;
- Employee Earnings, Benefits and Trade Union Membership, Australia (cat. no. 6310.0);
- Employment and Earnings, Public Sector, Australia (cat. no. 6248.0.55.002) - issued annually;
- Information Paper: Changes to ABS Measures of Employee Remuneration (cat. no. 6313.0) - issued 14 Nov 2006;
- Labour Force, Australia (cat. no. 6202.0) - issued monthly;
- Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001);
- Survey of Income and Housing (cat. no. 6523.0);
- Wage and Salary Earner Statistics for Small Areas, Time Series (cat. no. 5673.0.55.003); and
- Wage Price Index, Australia (cat. no. 6345.0) - issued quarterly.

ROUNDING

50 Estimates of average earnings shown in the tables and data cubes are rounded to the nearest 10 cents and those of average weekly hours paid for are rounded to the first decimal place. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

Glossary

GLOSSARY

Adult rate

Payment at the full rate stipulated in an award, agreement or the minimum wage order in the relevant jurisdiction.

Apprentice or trainee rate

Payment at a rate stipulated for apprentices or trainees in an award, agreement or the minimum wage order in the relevant jurisdiction.

Average (mean) earnings

The amount obtained by dividing the total earnings of a group (e.g. full-time employees) by the number of employees in that group.

Award only

Awards are legally enforceable determinations made by federal or state industrial tribunals that set the terms of employment (pay and/or conditions), usually in a particular industry or occupation.

An award may be the sole mechanism used to set the pay and/or conditions for an employee or group of employees, or may be used in conjunction with an individual or collective agreement. Employees are classified to the Award only category if they are paid at the rate of pay specified in the award, and are not paid more than that rate of pay.

Cash earnings

Remuneration paid to employees on a regular and frequent basis (quarterly or more frequently) for time worked or work done, and for time not worked such as recreation and other types of leave. Cash earnings (inclusive of amounts salary sacrificed) are gross amounts, that is, before tax and other items (e.g. superannuation) are deducted.

Casual employees

Casual employees usually receive a higher rate of pay to compensate for lack of permanency and leave entitlements.

Collective agreement

An agreement between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees). A collective agreement sets the terms of employment (pay and/or conditions) for a group of employees, and is usually registered with a Federal or State industrial tribunal or authority.

Employees are classified to the Collective agreement category if they had the main part of their pay set by a collective agreement (registered or unregistered) or enterprise award.

Disability rate

Payment stipulated in Schedule A to the National Minimum Wage Order (or an award or agreement with a specific schedule) for employees with a disability who:

- are unable to perform the range of duties to the competence level required of an employee within the class of work for which the employee is engaged because of the effects of disability on their productive capacity; and
- who meet the impairment criteria for receipt of a Disability Support Pension.

Employees

Persons who worked for a private or public sector employer and received pay for the reference period in the form of wages or salaries, a commission while also receiving a retainer, tips, piece rates or payments in kind. Persons who operated their own incorporated enterprises with or without hiring employees are also included as employees.

Employer size

A measure of the size of the business in terms of the number of employees within that business. The employer size reflects the size of the business in a particular state or territory and not necessarily the size of the business Australia-wide.

Full-time employees

Full-time employees are permanent, temporary and casual employees who normally work the agreed or award hours for a full-time employee in their occupation and received pay for any part of the reference period. If agreed or award hours do not apply, employees are regarded as full-time if they ordinarily work 35 hours or more per week.

Individual arrangement

An arrangement between an employer and an individual employee on the terms of employment (pay and/or conditions) for the employee. Common types of individual arrangements are individual contracts, letters of offer and common law contracts. Employees are classified to the Individual arrangement category if they have their pay set by an individual contract, individual agreement registered with a Federal or State industrial tribunal or authority (e.g. Australian Workplace Agreement), common law contract (including for award or agreement free employees), or if they receive over-award payments by individual agreement.

However, the Fair Work Act 2009 does not allow the making of new individual employee agreements. Collective enterprise agreements contain a provision which allows flexibility in the workplace to be achieved by agreement between an employer and individual employee. Agreements which existed under the Workplace Relations Act will continue in existence under the Fair Work Act 2009 as 'agreement-based transitional instruments'. These are defined by the Fair Work (Transitional and Consequential Amendments) Act 2009 (TA Act).

Industry

Industry is classified according to the Australian and New Zealand Standard Industrial Classification, 2006 (cat. no. 1292.0).

Junior rate

Payment at a proportion of the full adult rate stipulated in an award, agreement or the minimum wage order in the relevant jurisdiction, based on age.

Managerial employees

Employees who have strategic responsibilities in the conduct or operations of the organisation and/or are in charge of a significant number of employees. These employees usually do not have an entitlement to paid overtime. Includes professionally qualified staff who primarily perform managerial tasks in conjunction with utilising their professional skills. Owner managers of incorporated enterprises are regarded as managerial employees.

Median earnings

The amount of earnings which divides employees into two groups containing equal numbers of employees, one half with earnings below the median and the other half with earnings above the median. The median is less affected by outliers and skewed data than the mean, and is usually the preferred measure of central tendency when the distribution is not symmetrical.

Method of setting pay

How an employee's pay is set. Methods are classified to one of the following categories: Award only; Collective agreement; Individual arrangement; or Owner manager of incorporated enterprise.

Non-managerial employees

Employees who are not managerial employees (as defined above), including non-managerial professionals and some employees with supervisory responsibilities.

Occupation

Occupation is classified according to the Australian and New Zealand Standard Classification of Occupations, 2013 (cat. no. 1220.0).

Ordinary time cash earnings

Payment for award, standard or agreed hours of work, including allowances, penalty payments, payments by measured result and regular bonuses and commissions. Ordinary time cash earnings are inclusive of amounts salary sacrificed. Excluded are non-cash components of salary packages, overtime payments, retrospective pay, pay in advance, leave loadings, severance pay, and termination and redundancy payments.

Ordinary time hours paid for

Award, standard or agreed hours of work, paid for at the ordinary time rate. Included is stand-by or reporting time which is part of standard hours of work, and that part of annual leave, paid sick leave and long service leave taken during the reference period.

Overtime earnings

Payment for hours worked in excess of award, standard or agreed hours of work.

Overtime hours paid for

Hours paid for in excess of award, standard or agreed hours of work. Overtime hours paid for was not collected for managerial employees.

Owner manager of incorporated enterprise

A person who works in their own incorporated enterprise - that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company). Owner managers of incorporated enterprises are presented separately in estimates by method of setting pay.

Part-time employees

Employees who normally work less than the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, employees are regarded as part-time if they ordinarily work less than 35 hours per week.

Percentile

Any of a hundred divisions of an earnings or hours distribution. For example:

- 25% of employees earn less than or equal to the 25th percentile
- 75% of employees earn less than or equal to the 75th percentile.

Permanent or fixed term employees

Permanent employees are usually employed on an ongoing basis and are entitled to paid annual and sick leave. Fixed term employees are employed for a specified period of employment, and may be entitled to paid leave.

Reference period

The survey refers to the last pay period ending on or before 16 May 2014. All estimates of earnings and hours in this release are weekly. For employees paid other than weekly, estimates of earnings and hours have been converted to a weekly basis.

Salary sacrifice

Salary sacrifice is defined as an arrangement where an employee agrees to forgo part of their pre-tax salary in return for benefits. Common types of salary sacrifice arrangements include pre-tax contributions to superannuation funds and novated leases for motor vehicles.

Sector

Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or State/Territory Parliaments. The private sector comprises all organisations not classified as public sector.

Total hours paid for

The sum of ordinary time hours paid for plus overtime hours paid for.

Weekly total cash earnings

The sum of weekly ordinary time cash earnings plus weekly overtime earnings.

Abbreviations

ABBREVIATIONS

ABN	Australian Business Number
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ABSBR	Australian Bureau of Statistics Business Register
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
EEH	Survey of Employee Earnings and Hours
EG	Enterprise Group
LE	Legal Entity
PAYGW	Pay-As-You-Go Withholding
SISCA	Standard Institutional Sector Classification of Australia
TAU	Type of Activity Unit
TOBE	Type of Business Entity
TOLO	Type of Legal Organisation

Quality Declaration - Summary

QUALITY DECLARATION - SUMMARY

INSTITUTIONAL ENVIRONMENT

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

RELEVANCE

The biennial Survey of Employee Earnings and Hours (EEH) produces statistics on the composition and distribution of earnings of employees, the hours for which they are paid, and the methods used to set their pay. Information is collected about the characteristics of employers, such as industry and sector, and their employees, such as occupation, type of employee, and method of setting pay. The principle users of the survey are located within Commonwealth and State government agencies, employer associations, industrial tribunals and unions. The estimates represent a critical information source for the Fair Work Commission and the Department of Employment. The survey also serves as an important data source for other ABS statistics such as the Wage Price Index.

Estimates are available by state/territory, industry, sector, occupation, sex, rate of pay (adult, junior, apprentice or trainee and disability), age group, managerial status, employee type, employer size, permanent/fixed term contract/casual status, full-time/part-time status and methods of setting pay.

TIMELINESS

The reference period for the 2014 Survey of Employee Earnings and Hours is the last pay period ending on or before 16 May 2014.

EEH estimates are released approximately eight months after the reference period for the May 2014 edition.

ACCURACY

Information for the EEH survey is collected via web form questionnaires from a sample of approximately 8,000 private and public sector employers selected from the ABS Business Register. The employer sample is stratified by state, sector, industry division and employment size to ensure adequate state, sector and industry representation. These employers select a sample of employees from their payroll(s) using instructions provided by the ABS. Approximately 55,000 employees are sampled. A target minimum response rate is 95% for the survey as a whole and 95% for each state and industry.

There are two principal sources of error in surveys, sampling error and non-sampling error. Non-sampling error arises from inaccuracies in collecting, recording and processing the data. Every effort is made to minimise non-sampling error by the careful design and testing of questionnaires, detailed checking of the reported data and direct follow up with providers where significant errors are detected.

Sampling error occurs when a sample or subset of the population is surveyed rather than the entire population. One measure of the likely difference resulting from not including all of the population in the survey is given by the standard error. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if the whole population had been included in the survey.

COHERENCE

The EEH survey has been conducted, either annually or biennially, since 1975. The survey has been biennial since 1996. Ordinarily, the survey is conducted in respect of the last pay period ended on or before the third Friday in May of the reference year. The 2008 EEH survey, however, was conducted in respect of the last pay period ended on or before the third Friday in August.

Estimates of employee earnings produced from the EEH survey are based on the Australian conceptual framework for measures of employee remuneration. From 2006, the measure of employee earnings for estimates produced from the survey is regular wages and salaries in cash (including amounts salary sacrificed), that is, cash earnings. Prior to 2006, estimates of employee earnings excluded amounts salary sacrificed by employees. Estimates from the 2002 and 2004 surveys have also been reproduced on the new conceptual basis as an aid to analysis, and broad level estimates for these years were included in the electronic data release accompanying the May 2006 publication.

Data on how employees' pay was set in the reference period have been collected in the survey since 2000. The 2000 survey collected data on whether all or any part of employees' pay was set by an individual agreement, collective agreement, award, or a combination of these. From 2002, each survey cycle has collected information on whether the main part of employees' pay was set by an individual agreement, collective agreement or award.

The EEH Survey uses Australian standard classifications to facilitate data comparability across statistical series. Industry data from August 2008 onwards are classified according to the Australian and New Zealand Standard Industrial Classification, 2006 (cat. no. 1292.0). Data for earlier series are classified to the 1993 edition of ANZSIC. From May 2006 onwards, data on employee occupation are classified according to the Australian and New Zealand Standard Classification of Occupations, 2006 (First Edition) (cat. no. 1220.0). Data for earlier series, issued since 1996, are classified to the Australian Standard Classification of Occupations, 1997 (Second Edition) (cat. no. 1220.0).

The ABS conducts a number of sample surveys of businesses which collect information about employee earnings, or other measures of employee remuneration, and estimates of numbers of employees, including the Survey of Average Weekly Earnings and the Labour Force Survey. Care should be taken when comparing estimates of average weekly earnings compiled from the EEH survey with those published biannually in Average Weekly Earnings, Australia (cat. no. 6302.0) because of differences in the earnings concepts being measured, methodological differences between the surveys and differences in the two samples used. Estimates of numbers of employees from the Survey of Employee Earnings and Hours are published for the first time in May 2010. Users are directed to Labour Force, Australia (cat. no. 6202.0) as the primary source of official ABS statistics of employment. Caution should be exercised when comparing estimates of numbers of employees from EEH with those published monthly in Labour Force, Australia (cat. no. 6202.0) as there are a number of differences in sample design, survey methodology and scope and coverage, between the two collections.

INTERPRETABILITY

Employee Earnings and Hours, Australia, May 2014 (cat. no. 6306.0) contains Explanatory Notes, a Glossary and a Technical Note which provide further information about data sources, terminology and other technical aspects of the series.

ACCESSIBILITY

Employee Earnings and Hours, Australia, May 2014 (cat. no. 6306.0) is available electronically from the ABS website and includes downloadable Excel data files.

If the information you require is not available as a standard product or service, then ABS Consultancy Services can help you with customised services to suit your needs. Inquiries should be made to the National Information and Referral Service on 1300 135 070. The ABS Privacy Policy outlines how the ABS will handle any personal information that you provide to us.

Data Cubes (I-Note) - Data Cubes

Correction of minor errors in percentile data for the May 2014 release have been reflected in the updated data cube.

Data Cubes (I-Note) - Data Cubes

Correction of minor errors in percentile data for the May 2014 release have been reflected in the updated data cube.

Sampling Error (Technical Note)

TECHNICAL NOTE SAMPLING ERROR

RELIABILITY OF ESTIMATES

1 As the estimates in this release are based on information relating to a sample of employers and employees, rather than a full enumeration, they are subject to sampling variability. That is, they may differ from the estimates that would have been produced if the information had been obtained from all employers and all employees. The difference, called **sampling error**, should not be confused with inaccuracy that may occur because of imperfections in reporting by respondents or in processing by the ABS. Such inaccuracy is referred to as **non-sampling error** and may occur in any enumeration whether it be a full count or a sample. Efforts have been made to reduce non-sampling error by careful design of questionnaires, detailed checking of returns and quality control of processing.

2 The sampling error associated with any estimate can be estimated from the sample results. One measure of sampling error is given by the **standard error**, which indicates the degree to which an estimate may vary from the value that would have been obtained from a full enumeration (the 'true value'). There are about two chances in three that a sample estimate differs from the true value by less than one standard error, and about nineteen chances in twenty that the difference will be less than two standard errors. Standard errors are available in the Excel spreadsheet available from the Downloads tab of this release.

3 An example of the use of a standard error is as follows. If the estimated average weekly total cash earnings for all employees paid by collective agreement is \$1,214.00, with a standard error of

\$19.70, there would be about two chances in three that a full enumeration would have given an estimate in the range \$1,194.30 to \$1,233.70 and about nineteen chances in twenty that it would be in the range \$1,174.60 to \$1,253.40.

4 The difference between two survey estimates is also an estimate and it is therefore subject to sampling variability. The standard error on the difference between two survey estimates in the one time period (i.e. x-y) can be calculated using the following formula:

$$SE(x-y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

5 The formula above will overestimate the standard error where there is a positive correlation between two estimates (e.g. average weekly earnings for male and female school teachers). While this formula will only be accurate where there is no correlation between two estimates (e.g. estimates from different states), it is expected to provide a reasonable approximation of the standard error for the difference between two survey estimates.

6 The estimated average weekly total cash earnings for all male employees is \$1,429.80, with a standard error of \$14.50. For all female employees the estimated average weekly total cash earnings is \$940.20 with a standard error of \$8.90. Thus the difference between the estimate of male and female earnings is \$489.60. The estimate of the standard error of the difference between the average weekly total cash earnings employees of males and females is:

$$SE(\$1,429.80 - \$940.20) = \sqrt{(\$14.50)^2 + (\$8.90)^2} = \$17.00$$

7 There are about two chances in three that the true figure for the difference between average weekly total cash earnings for males and females lies in the range \$472.60 to \$506.60 and about nineteen chances in twenty that the figure is in the range \$455.60 to \$523.60.

8 The formula above can be used to estimate the standard error on a difference between estimated averages in two different years. (The movement standard error will be approximately 1.4 times the standard error on the level estimate, if the standard errors on the two level estimates are similar).

9 Another measure of the sampling error is the **relative standard error**, which is obtained by expressing the standard error as a percentage of the estimate.

10 An asterisk appears against an estimate in this release where the sampling variability is considered high. For the tables in this release, estimates with relative standard errors above 25% have been labelled with a cell comment.

11 Standard errors can be used to construct confidence intervals around the estimated proportions. There are about two chances in three that the 'true' value is within the interval that ranges from the sample estimate minus one standard error (estimate - 1xSE) to the sample estimate plus one standard error (estimate + 1xSE). There are approximately 19 chances in 20 that the 'true' value lies within the interval from the estimate minus two standard errors (estimate - 2xSE) to the estimate plus two standard errors (estimate + 2xSE).

12 The above rule gives a symmetric confidence interval that is reasonably accurate when the estimated proportion is not too near 0.00 or 1.00. Where the estimated proportion is close to 0.00 or 1.00 it would be more accurate to use a confidence interval that was not symmetric around the sample estimate. If an estimate is close to 1.00, then the upper boundary of the confidence interval should be closer to the sample estimate than suggested above, while the lower boundary should be further from the sample estimate. Similarly, if an estimate is close to 0.00, then the lower boundary of the confidence interval should be closer to the sample estimate than suggested above, while the upper boundary should be further from the sample estimate. In particular, the symmetric confidence interval could include values that are not between 0.00 and 1.00. In such a case a good rule of thumb is to use a confidence interval of the same size as the symmetric one, but with the lower (or upper) boundary set to 0.00 (or 1.00).

13 Each data cube contains estimates of standard errors from which confidence intervals may be constructed.